



# LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

**B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP**

**FIRST SEMESTER – APRIL 2025**

**UBC 1501 – FINANCIAL ACCOUNTING**



Date: 23-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

## SECTION A - K1 (CO1)

|           |                                                                                  |                      |
|-----------|----------------------------------------------------------------------------------|----------------------|
|           | <b>Answer ALL the Questions</b>                                                  | <b>(10 x 1 = 10)</b> |
| <b>1.</b> | <b>Answer the following.</b>                                                     |                      |
| a)        | What is Balance sheet? .                                                         |                      |
| b)        | Define Depreciation.                                                             |                      |
| c)        | What is 'Reposed stock'?                                                         |                      |
| d)        | What do you mean by branch accounts?                                             |                      |
| e)        | What is repossessed stock?                                                       |                      |
| <b>2.</b> | <b>Fill in the blanks.</b>                                                       |                      |
| a)        | Dividend paid is -----.                                                          |                      |
| b)        | Trading account deals only with -----expenses.                                   |                      |
| c)        | Depreciation is charged on-----                                                  |                      |
| d)        | The excess of current assets over current liabilities is called-----             |                      |
| e)        | Money owed to an outsider is referred to as. -----                               |                      |
|           | <b>SECTION A - K2 (CO1)</b>                                                      |                      |
|           | <b>Answer ALL the Questions</b>                                                  | <b>(10 x 1 = 10)</b> |
| <b>3.</b> | <b>True or False.</b>                                                            |                      |
| a)        | Ledger is the non-identifiable grouping of numerous business transactions.       |                      |
| b)        | Change in the method of depreciation is not allowed in financial accounting.     |                      |
| c)        | In Insurance policies for discouraging under insurance, averages clause is used. |                      |
| d)        | Receipts and payment always start with opening balance of cash.                  |                      |
| e)        | Hirer get possession of goods on paying the last instalment.                     |                      |
| <b>4.</b> | <b>Match the following.</b>                                                      |                      |
| a)        | Stock reserve - (i) Depreciation                                                 |                      |
| b)        | Debtors' system - (ii) Capital expenditure                                       |                      |
| c)        | Fixed assets - (iii) Branch a/c                                                  |                      |
| d)        | Depletion - (iv) Profit unrealised in stock                                      |                      |
| e)        | Repossession - (v) Hire purchase                                                 |                      |

**SECTION B - K3 (CO2)****Answer any TWO of the following in 100 words each.****( 2 x 10 = 20)**

5. On 1 St January, 1992 A Company Purchased Machinery For Rs.12000 And On 30th June, 1993, It Acquired Additional Machinery at A Cost Of Rs.2000.On 31st March, 1994, One Of The Original Machines Which Had Cost Rs.500 Was Found To Have Become Obsolete And Was Sold For Rs.50.It Was Replaced On That Date By A New Machine Costing Rs.800.Depreciation To Be Provided at The Rate Of 15 Per Cent Per Annum On The Written Down Value. Show Machinery Account for the First Three Years.

6. Sun & Co.Has a branch in Tiruchi and the transactions of the branch for the year 3 ended 31-12-1997 were:

|                                                 |       |
|-------------------------------------------------|-------|
| Stock of goods at branch 1-1-97 (invoice price) | 9200  |
| Goods send to branch (invoice price)            | 68400 |
| Salaries and wages                              | 3720  |
| Gross cash sales by branch                      | 68550 |
| Taxes and insurance                             | 880   |
| Rent                                            | 1450  |
| Sundry expenses                                 | 390   |
| Stock of goods as at 31-12-97 (invoice price)   | 8950  |

The branch sales are exclusively for cash and the goods sent to branch have been invoiced at 33 % On cost.you are required to prwepare the breanch account assuming that all cash sales proceeds are remitted to H.O. and expenses of the branches are met from H.O.

7. Raj purchased some second hand machinery on 1st April 2003 for Rs.3,70,000 and installed it at a cost of RS.30,000. On 1st October 2004, it purchased another machine for Rs.1,00,000 and on 1st October 2005, it sold off the first machine purchased in 2003 for Rs. 2,80,000.On the same date it purchased a machinery for Rs.2,50,000. On 1st October 2006, the second machinery purchased for Rs.1,00,000 was also sold off for Rs.20,000. Depreciation was provided on machinery at the rate of 15% p.a. on the written down value method each year on 31st March. Prepare Machinery A/c.

8. Explain in details about the AS 1,2,3,4.

**SECTION C – K4 (CO3)****Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

9. A machine purchased on 1st July 2013 at a cost of Rs. 14,000 and Rs. 1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December each year. The machine was sold for Rs. 9,500 on 31st March 2016. Show the machinery account for all the years.
10. On 1-1-2016, X purchased machinery on hire purchase system. The payment is to be made Rs. 4,000 down (on signing of the contract) and Rs. 4,000 annually for three years. The cash price of the machinery is Rs. 14,900 and the rate of interest is 5%. Calculate the interest in each year's instalment.

|     |                                                     |        |
|-----|-----------------------------------------------------|--------|
| 11. | Illustrate the need and significance of IFRS.       |        |
| 12. | The following information relates to Madurai branch |        |
|     | Particulars                                         | ₹      |
|     | Stock on 1.1.2014                                   | 11,200 |
|     | Branch debtors on 1.1.2014                          | 6,300  |
|     | Goods sent to branch                                | 51,000 |
|     | Cash sent to branch for                             |        |
|     | Rent                                                | 1,500  |
|     | Salaries                                            | 3,000  |
|     | Petty cash                                          | 500    |
|     | Sales at branch                                     |        |
|     | Cash                                                | 25,000 |
|     | Credit                                              | 39,000 |
|     | Cash received from debtors                          | 41,200 |
|     | Stock on 31.12.2014                                 | 13,600 |
|     | Prepare branch accounting for the year 2014.        |        |

#### SECTION D – K5 (CO4)

**Answer any ONE of the following in 250 words** **(1 x 20 = 20)**

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13. | Discuss in detail about various concepts and conventions in Accounting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 14. | <p>The following purchases were made by a business house having three departments.</p> <p>Dept. A - 1,000 units</p> <p>Dept. B - 2,000 units</p> <p>Dept. C - 2,400 units, the total cost of purchases of all the Dept's amounts to ₹1,00,000</p> <p>Stocks on 1st Jan were:</p> <p>Dept. A - 120 units</p> <p>Dept. B - 80 units</p> <p>Dept. C - 152 units</p> <p>Sales were:</p> <p>Dept. A - 1,020 units at ₹20 each</p> <p>Dept. B - 1,920 units at ₹22.50 each</p> <p>Dept. C - 2,496 units at ₹25 each</p> <p>The rate of gross profit is same in each case. Prepare Departmental trading account.</p> |

**SECTION E – K6 (CO5)****Answer any ONE of the following in 250 words****(1 x 20 = 20)**

15. Ragav purchased a truck for Rs. 1,60,000 from S. Waugh on 1-1-2013 payment to be made Rs. 40,000 down and Rs. 46,000 at the end of first year, Rs. 44,000 at the end of second year and Rs. 42,000 at the end of third year. Interest was charged at 5%. Ragav depreciates the truck at 10% per annum on written down value method.
- Ragav, after having paid down payment and first instalment at the end of the first year, could not pay second instalment. The seller took possession of the truck, and after spending Rs. 4,000 on repairs of the asset, sold it away for Rs.91,500.
- Give journal entries and ledger accounts in the books of both the parties.

16. Prepare trading and profit and loss account and balance sheet for the year ended 31.3.99

|                         | RS       |
|-------------------------|----------|
| Capital                 | 80,000   |
| Drawings                | 6,000    |
| Opening stock(1.4.98)   | 45,000   |
| Purchases               | 2,50,000 |
| Sales                   | 3,10,000 |
| Furniture               | 10,000   |
| Debtor                  | 40,000   |
| Freight and octroi      | 4,800    |
| Trade expenses          | 500      |
| Salary                  | 5,500    |
| Rent                    | 2,400    |
| Advertisement           | 5,000    |
| Insurance premium       | 400      |
| Commission earned       | 1,300    |
| Discount allowed        | 200      |
| Bad debts               | 1,800    |
| Provision for bad debts | 900      |
| Creditors               | 20,000   |
| Cash                    | 5,200    |
| Bank                    | 5,800    |
| Goodwill(at cost)       | 20,000   |

Adjustment

- (a) closing stock RS 53,000
- (b) salaries have been paid for 11 months only
- (c) prepaid insurance premium RS 100
- (d) Commission earned but not received RS 122
- (e) create 3% provision for bad debt in debtors
- (f) depreciation on furniture at 10% is to be charged
- (g)  $\frac{1}{4}$ th of advertisement is to be written off

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