LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

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

FIRST SEMESTER – **APRIL 2025**

UBC1MC02 – FINANCIAL ACCOUNTING

Date: 26-04-2025 Dept. No. Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

		SECTION A - K1 & K2 (CO1)
Q.No	Levels	**Answer ALL the Questions** **(10 x 2 = 20)**
1	K1	Define Journal.
2		Write a short note on written down value method.
3		Write the meaning of dependent branch.
4		Write any two advantages of departmental accounting.
5		Differentiate between Hire Purchase and Instalment Purchase.
6	K2	A trader sells goods of the list price of ₹.20,000 at 10% trade discount and 2% cash discount. Compute the net amount of sale.
7		Net sales during the year ended 31st March, 2018 is ₹. 6,00,000. Gross Profit is 25% on cost. Find out Gross Profit and Cost of goods sold.
8		What is a Stock and Debtors system?
9		Write down the expenses which cannot be apportioned.
10		Write a short note on hire purchase price.
		SECTION B – K3 & K4 (CO2)
		Answer ALL the Questions **(4 x 10 = 40)**
11		Record the following transactions in the Journal of Naresh & Co:

2018	Particulars	₹
June 1	Paid cash to Mahesh and discount received from him	9,600 400
June 4	Received cash from Arun and discount allowed to him	4,900 100
June 10	Goods sold to Harish	30,000
June 12	Harish returned goods	2,000
June 14	Received cash from Harish ₹ 27,500 in full settlement of his account	
June 20	Sold goods to Gopal of the list price of ₹ 60,000 at 10% trade discount	
June 23	Purchased goods from Ravi of the list price of ₹ 20,000 at 15% trade discount	

[OR]

12		Write about four accounting conventions.

13	K3	On 1st April 2016, a company purchased a plant for Rs.2,00,000. The useful life of the plant is 10 years and the estimated residual value (Scrap value) is expected to be 20% of the original cost. Determine the rate of depreciation under the straight-line method and prepare the plant account for the first three years. Accounts are closed on 31st March every year.
		[OR]
14		Write about the ten accounting concepts.
15		The following are the balance extracted from the books of Raghunath as on 31st March, 2018. From the balances, prepare his Trading and Profit & Loss Account and Balance Sheet as at the date:

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening stock	12,000	Wages	10,000
Purchases	40,000	Purchase Return	4,000
Sales	86,000	Interest (Cr)	800
Discount	400	Travelling Expenses	400
Sales Return	6,000	Fire Insurance Premium	800
Buildings	50,000	Machinery	20,000
Debtors	16,000	Carriage on Purchases	700
Salaries	2,400	Commission	400
Capital	62,000	Cash in hand	2,300
Creditors	10,800	Rent and Taxes	1,800
Office Expenses	1,200		

Adjustments:

1. Closing Stock was values at ₹ 16,000.
2. Wages ₹ 2,000 and salaries ₹ 1,200 are outstanding.
3. Rent for two months at the rate of ₹ 500 per month is outstanding.
4. Depreciate Buildings by 5% and machinery by 10 %.
5. Prepaid Insurance ₹ 200.

[OR]

16 K4 Bombay traders have taken out a fire of ₹ 8,00,000 covering its stock value in trade. A fire occurred on 31st March 2022 and stock was destroyed with the exception of that worth ₹ 2,06,800. The following particulars are available from the books of accounts of the firm.

Particulars	Amount (₹)
Stock on 31st Dec. 2021	3,00,000
Purchase to the date of fire	13,00,000
Sales to the date of fire	9,00,000
Commission paid to the purchase manager on purchase	2%
Carriage paid on purchases	8,000
Average gross profit on cost	50%

The policy was subject to average clause. You are required to calculate the amount of claim to be made against insurance company.

17		Explain the advantages and disadvantages of Departmental Accounting.
		[OR]

18		Geetha purchased machinery under the hire purchase system from Reeta. The cash price of the machinery was ₹ 1,50,000. The payment for the purchase is to be made as follows: on signing the agreement ₹ 30,000; end of the first year ₹ 50,000; end of the second year ₹ 50,000; end of the third year ₹ 50,000. Calculate the amount of interest included in each instalment.

SECTION C – K5 & K6 (CO3)

Answer ALL the Questions **(2 x 20 = 40)**

19 K5

A Book-keeper has submitted to you the following Trial Balance wherein the total of the debit and credit balances are not equal:

Dr. Balances	₹	Cr. Balances	₹
Goodwill	30,000	Capital A/c	2,03,000
Land & Buildings	60,000	Bills Payable	13,800
Plant & Machinery	40,000	Sundry Creditors	30,000
Loose Tools	3,000	Drawings	15,000
Bills Receivable	2,000	Sales	1,15,000
Stock 1st April, 2023	40,000	Carriage Outwards	1,500
Purchases	51,000	Sales Returns	2,000
Wages	20,000		
Carriage Inwards	1,200		
Purchase Returns	2,650		
Coal & Gas	5,600		
Salaries	4,000		
Rent	2,700		
Discount allowed	1,500		
Cash at Bank	25,000		
Cash in hand	1,400		
Sundry Debtors	45,000		
Repairs	1,800		
Printing & Stationery	600		
Bad debts	1,200		
Advertisements	3,500		
Furniture and Fixtures	1,200		
General Expenses	250		
Investments	5,000		
	3,48,600		3,80,300

You are required to: -----

1. Redraft the trial balance correctly.
2. Then, Prepare Final Accounts after taking into account the following adjustments:
   a) Closing stock on 31st March, 2024 was ₹ 60,000.
   b) Depreciate Plant and Machinery at 5%, Loose tools at 15% and Furniture and fixtures at 5%.
   c) Provide 2.5% for discount on Sundry Debtors and Provide 5% for Bad and Doubtful Debts on debtors.
   d) Only three quarters rent has been paid, the last quarter's rent being outstanding.
   e) Interest earned but not received ₹ 600.

[OR]

20 Delhi Head Office supplies goods to its branch at Kanpur at invoice price which is cost plus 50%. All cash received by the branch is remitted to Delhi and all branch expenses are paid by the head office. From the following particulars related to Kanpur branch for the year 2021, Prepare Branch account in the books of head office.

Particulars	Amount (₹)
Stock with branch on 01.01.2021 (Invoice price)	60,000
Branch debtors on 01.01.2021	12,000
Petty cash balance on 01.01.2021	100
Goods received from Head Office (at invoice price)	1,86,000
Goods returned to Head Office	3,000
Credit sales less returns	84,000
Cash received from debtors	90,000
Discount allowed to debtors	2,400
Expenses (cash paid by Head office)	
Rent	2,400
Salaries	24,000
Petty cash	1,000
Cash sales	1,04,000
Stock with branch on 31.12.2021 (at invoice price)	54,000
Petty cash balance on 31.12.2021	100

21 K6 Following is the Profit and Loss A/c of Sony Electronics for the year ending 31/03/2022.

Particulars	₹	Particulars	₹
Purchases:		Sales:	
Transistors(x)	1,60,000	Transistors(x)	1,75,000
Tape Recorders(y)	1,25,000	Tape Recorders(y)	1,40,000
Repairs(z)	80,000	Repairs(z)	35,000
Salaries and Wages	48,000	Stock on 31.03.2022:	
Rent	10,800	Transistors(x)	60,100
Sundry Expenses	11,000	Tape Recorders(y)	20,300
Profit	40,200	Repairs(y)	44,600
	4,75,000		4,75,000

Other particulars are given below

(a) Transistors and tape recorders have been sold in showroom and repairs are made in the factory.
(b) Apportionment of salaries and wages i.e., showroom 3/4 and factory 1/4: salaries and wages of showroom are to be divided in 1:2 ratio in x and y departments.
(c) Rent of factory is ₹ 500 p.m. Rent of showroom is apportioned equally in x and y departments.
(d) Sundry expenses are apportioned in the sales ratio of the departments.

[OR]

22 On 1st January 2021, Raja Transport Ltd, purchased from Reena Motors, three trucks costing ₹ 50,000 each, under hire purchase systems. Payment was to be made ₹ 30,000 down and the reminder in three equal annual instalments together with interest at 9%. Calculate interest for each year. Show Entries in the books of buyer assuming that the buyer depreciates the truck at 10% per annum under written down value method.

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