LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**B.Sc.** DEGREE EXAMINATION – **STATISTICS**

SECOND SEMESTER – **APRIL 2012**

# CO 2104 - FINAN.A/C & FINANCIAL STATEMENT ANALYSIS

Date : 23-04-2012 Dept. No. Max. : 100 Marks

Time : 9:00 - 12:00

**Section A**

**Answer all the questions: (10 X 2 = 20 marks)**

1. Name any four parties who are interested in accounting information?
2. What is meant by contra entries? Give example.
3. How is Legacy treated in the accounting books of a Non trading organization?
4. Name any four accounting concepts.
5. a. Plant and machinery is …………asset (fixed/current)

b. Motor vehicles account is a …………. (Personal/ Real/ Nominal) account

1. Ascertain the gross profit ratio:

Cost of goods sold INR. 70,800 ; Sales INR. 1,30,200

1. From the following information compute the tax paid during the year:

Provision for tax(1-4-2011) INR. 30,000

Provision for tax(31-3-2012) INR.45,000

Tax provided during the year INR. 30,000

1. Calculate the amount of salaries to be shown in Receipts and Payments Account:

INR.

Salaries as per Income and Expenditure Account 1,500

Paid in advance in previous year 700

Outstanding at the end of current year 300

Outstanding at the end of previous year 800

1. Calculate the profit or loss on sale of machinery:

Original cost INR. 1,00,000; Accumulated depreciation INR. 25,000;

Sale value INR. 50,000

1. Choose the correct alternative

a. Receipts and Payments Account is a summary of

i)Income and expenses account ii) Cash receipts and Payments

iii) Debit and Credit balances of ledger accounts

1. Goods worth INR. 1,000 taken by the proprietor for personal use should be credited to

i)Purchases account ii) Sales account iii) Drawings account

**Section B**

**Answer any five questions (5 X 8 = 40 marks)**

1. Define Accounting. What are the objectives of Accounting?
2. What is a Bank Reconciliation Statement? What are the causes of difference between a Pass book and Cash book?
3. Differentiate between Receipts and Payments Account and Income and Expenditure Account.
4. Enter the following transactions in a Petty cash book:

2012 INR.

Jan 1 Received from main cashier as imprest cash balance 1,000

7 Bought postage stamps 200

15 Paid for cartage 25

20 Paid taxi hire 75

23 Purchased stationery 35

25 Paid to travel agent for snacks 15

30 Courier services 25

31 Office cleaning 20

1. Journalise the following transactions:

2012

April 1 Mr. Xavier brought cash INR. 1,50,000 to start a business

April 2 He deposited INR. 1,25,000 in a newly opened bank account

April 4 He purchased goods for cash INR. 8,000

April 7 He purchased goods for INR. 10,000 payment was made through bank

April 8 Mr. Xavier withdrew INR. 2,000 from the bank for office use

April 10 He withdrew INR. 1,000 from the bank for celebrating his son’s birthday

April 14 He paid salary in cash INR.250

April 18 He gave cheque to Mr. Anand, the landlord for rent INR. 3,000

1. Enter the following transactions into proper subsidiary books:

2012

Jan 1 Purchased goods from Paul of the list price of INR. 50,000 less 10% trade discount

6 Sold goods to Rahul for INR. 10,000

8 Ramesh sent goods for INR. 40,000

12 Purchased a delivery van from Mahendra INR. 2,00,000

18 Sold goods to James for INR. 12,000

20 Returned goods to Paul, of the list price of INR. 5,000

22 Sent goods to Amir for INR. 6,000

24 Sold old newspaper for INR. 200

27 Sold goods to Rohit for INR. 8,000

1. From the following particulars, prepare Income and Expenditure Account:

INR.

Fees collected, including INR. 80,000 on account of the previous year 3,80,000

Fees for the year outstanding 10,000

Salary paid, including INR. 3,000 on account of the previous year 28,000

Salary outstanding at the end of the year 1,000

Entertainment expenses 3,000

Tournament expenses 12,000

Meeting expenses 18,000

Travelling expenses 6,000

Purchase of books and periodicals,

including INR. 19,000 for purchase of books 29,000

Rent 10,000

Postage 4,000

Printing and stationery 15,000

Donations received 20,000

1. From the following particulars, determine the maximum remuneration available to a

part time director and manager of a manufacturing company.

The Profit & loss Account of the company showed a net profit of INR.20,00,000 after taking into account the following items:

INR.

1. Depreciation (including special depreciation of INR. 20,000) 50,000
2. Donation to political parties 25,000
3. Provision for income tax 1,00.000
4. Ex-gratia payment to a worker 5,000
5. Capital profit on sale of assets 7,500
6. Preliminary expenses 5,000
7. Profit on sale of investment 4,20,000
8. Multiple shift allowance 2,10,000

**Section C**

**Answer any two questions: (2 X 20 = 40 marks)**

1. The following balances were taken from the trial balance of Mr. Mohammed

as on 31-3-2012

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars |  | Particulars | * . |
| Furniture(on cost)  Delivery van  Building(on cost)  Bad debts  Debtors  Stock (1-4-2011)  Purchases  Sales return  Advertisement  Interest  Cash  Tax  General expenses  Salary | 64,000  6,25,000  7,50,000  12,500  3,80,000  3,46,000  5,47,500  20,000  45,000  1,11,800  65,000  25,000  78,200  3,30,000 | Capital  Creditors  Provision for Bad debts  Overdraft  Sales  Purchase return  Commission | 12,50,000  2,50,000  20,000  2,85,000  15,45,000  12,500  37,500 |
| 34,00,000 | 34,00,000 |

Additional information:

1. Depreciate Building 5%, Furniture 10%

ii. Commission received INR. 12,500 is related to next year

iii. Create provision on debtors for bad debts @ 6%

iv. Stock (31-3-2012) INR. 3,25,000

Prepare Trading & Profit & loss account and Balance sheet as on 31- 3- 2012

1. From the following balance sheets, prepare cash flow statement:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities | 2010 | 2011 | Assets | 2010 | 2011 |
| Share capital  General reserve  Profit & loss A/c  Bank loan  Creditors  Provision for tax | 2,00,000  50,000  30,500  70,000  1,50,000  40,000 | 2,50,000  60,000  30,600  -  1,35,200  35,000 | Building  Machinery  Stock  Debtors  Cash  Goodwill | 2,00,000  1,50,000  1,00,000  80,000  500  10,000 | 1,90,000  1,69,000  74,000  64,200  8,600  5,000 |
| 5,40,500 | 5,10,800 | 5,40,500 | 5,10,800 |

During the year:

1. Dividend of INR. 23,000 was paid

(ii) Machinery was purchased for INR. 8,000

(iii) There is no sale of building or machinery

(iii) Income tax paid during the year INR. 33,000

1. a Stock turnover ratio 3 times ; Cost of goods sold INR. 2,40,000

Stock in the beginning is INR. 20,000 more than the stock in the end. Calculate stock in the beginning and at the end (4 marks)

1. From the following particulars, prepare a statement showing the proprietor’s fund as on 31st December 2011 with as many details as possible (16 marks)

Current ratio 2.5 Fixed assets to Proprietors funds 0 .75/2

Acid test ratio 1.5 Reserves and surplus INR. 60,000

Working capital INR.90,000 Bank overdraft INR. 15,000

Long term debt nils

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