



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

SECOND SEMESTER – APRIL 2014

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

Date : 07/04/2014
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

SECTION A

Answer the following:

10 x 2 = 20

1. What is the objective of a non profit organization?
2. Explain Book keeping.
3. What are Outstanding Expenses?
4. What is a Trade Discount?
5. What is an Imprest system of petty cash?
6. Fill in the blanks:
 - a) The Journal is a book of -----.
 - b) The person who maintains petty cash book is known as -----.
7. Choose the correct answer:
 - a) Credit Sales are recorded in _____.
a)Sales book b)Cash book c)Journal Proper
 - b) Amount owned by the Proprietor is called _____.
a)Assets b)Liabilities c)Capital
8. Prepare a Trial Balance:
Bank Overdraft Rs.10,000; Plant Rs.25,000; Stock Rs.5,000;
Creditors Rs.15,000; Rent received Rs.5,000.
9. Find out Earnings Per Share from the following:
Net Profit after Tax Rs.2,00,000
10%Preference Share Capital Rs.4,00,000
Equity Share Capital(Rs.100 each) Rs.10,00,000.
10. Find out the Net Cash Investing activities from the following :
Sale of fixed assets Rs.2,00,000
Purchase of fixed assets Rs.1,00,000
Issue of shares for cash Rs.2,00,000.

SECTION B

Answer any FOUR of the following:

4 x 10 = 40

11. What is Ratio Analysis? Explain the merits of Ratio analysis.
12. Write short notes on the following:
 - a) Fixed Assets
 - b) Revenue expenditure
 - c) Money Measurement concept
 - d) Narration
 - e) Voucher.
13. Prepare bank reconciliation statement of Mr. Paul as on 31.3.2008
 - a. Credit balance as per pass book Rs.2,500.
 - b. Bank charges Rs.60

- c. Cheque paid into bank but not yet credited Rs.1,000.
- d. Cheques issued Rs.700 but not presented for payment.
- e. Dividend collected by the banker directly Rs.400.
- f. Cheque dishonoured Rs. 600.
- g. Interest on overdraft Rs.300.

14. Enter the following in the Subsidiary Books of Mr. Timothy **Rs.**

2010 Jan. 1. Bought goods from Arun	6,000
2. Sold goods to Balu	3,000
6. Sakila sold goods to us	3,000
10. Received goods returned by Balu	240
13. We returned goods to Arun	200
15. Dharani returned goods	300
18. Sold goods to Velu	1,400
25. Sold Machinery to Rohn	2,400
31. Returned goods to Sakila	200

15. A machine purchased on 1st July 1983 at a cost of Rs.15,000. The depreciation is written off at 10% on the original cost every year. The books are closed on 31st December every year. The Machine was sold for Rs.9,500 on 31st March 1986. Show Machinery Account.

16. The Balance Sheet of Sugar Mills ltd. as on 31.12.2010 is given

Liabilities	Rs.	Assets	Rs.
Issued capital 40,000 shares of Rs.100 each	40,00,000	Land & Building	30,00,000
Reserves	18,00,000	Plant & Machinery	16,00,000
Creditors	26,00,000	Stock	29,60,000
Profit & Loss A/c	6,00,000	Debtors	14,20,000
6% debentures	6,00,000	Cash at Bank	6,20,000
	96,00,000		96,00,000

Cost of sales 1,02,00,000 ; Opening Stock Rs.19,90,000

Calculate : a) Current Ratio b) Quick Ratio c) Fixed Assets Ratio
d) Stock turnover Ratio e) Fixed Assets Turnover Ratio.

17. Enter the following in the Three Column Cash Book. **Rs.**

2010. Jan 1. Cash in hand	410
Balance at Bank	8,920
2. Cash sales	4,500
3. Paid into bank	4,000
5. Purchased Stationery	100
8. Paid Mahesh by cheque	280
Discount Received	20
12. Gave a cheque for purchases	1,500
20. Drew for personal use	800
28. Received from Suresh, a cheque for Rs.1,970 in full settlement of account for Rs.2,000 and deposited in the bank.	
20. Drew from bank	1,000

SECTION C

Answer any TWO of the following:

2 x 20 = 40

18. From the following Balance Sheets of Arvind Ltd. you are required to prepare a Cash Flow Statement.

Liabilities	1989(Rs.)	1990(Rs.)	Assets	1989 (Rs.)	1990(Rs.)
Share Capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade Creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
Profit & Loss A/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	6,36,000		5,60,000	6,36,000

19. From the following prepare Income & Expenditure A/c for the year ended 31.12.2010.

Cash Book Summary

	Rs.		Rs.
To Balance b/d	2,350	By Salaries	1,200
To Entrance Fees	300	By Electricity	120
To Subscriptions:		By Journals	525
2009	50	By Fixed Deposits	2,500
2010	3,500	By Utensils	200
2011	75	By Payment to Creditors	1,000
To Profits from refreshments	100	By Balance c/d	1 150
To Locker Rent	200		
To Sundry Income	120		
	6,695		6,695

The subscription due were Rs.75 and the interest accrued on fixed deposit was Rs, 25.

20. Prepare Trading & Profit & Loss a/c and Balance Sheet of Mr. Dinesh for the year 31.12.2010

Particulars	Debit (Rs.)	Credit (Rs.)
Stock 1.1.2010	15,000	
Purchases	13,000	
Sales		30,000
Carriage Inwards	200	
Salaries	5,000	
Printing	800	
Drawings	1,700	
Sundry Creditors		2,000
Sundry Debtors	18,000	
Furniture	1,000	

Capital		25,000
Telephone	750	
Interest Paid	550	
Machinery	4,000	
Loan Account		3,000
	60,000	60,000

Adjustments:

1. Depreciate Machinery by 10% and furniture by 5%.
2. Allow interest on capital at 5%.
3. Salaries outstanding Rs.500.
4. Prepaid Telephone charges Rs.250.
5. Stock on 31.12.2010 Rs.12,000.

21. Define Depreciation. What are the Causes and Necessity for preparing depreciation?

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