



# LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

**B.Com. DEGREE EXAMINATION – COMMERCE**

**FIRST SEMESTER – APRIL 2025**

**CO 1502 – FINANCIAL ACCOUNTING**



Date: 26-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

## SECTION A

**Answer ANY FOUR of the following**

**4 x 10 = 40 Marks**

1 Explain the characteristics of good financial statement.

2 Write short note on:

- Straight-line depreciation Method
- Diminishing depreciation Method
- Annuity depreciation Method
- Sinking fund Method

3 From the following Balances as at 1-4-20 of a trader, prepare Trading, P&L a/c and B/S.

Particulars	Rs.
Stock	30,000
Sales	60,000
salaries	8,000
wages	4,000
Creditors	3,000
Sales return	5,000
Purchase return	3,000
computer	49,000
purchase	20,000
Capital	50,000

Additional information:

- Closing stock Rs. 20,000
- Outstanding wages Rs.500

4 From the following figures you are require to prepare:

- Provision for doubtful debts Account
  - Bad debts Account
  - Profit and loss A/c
- Jan 01, 2021 Provision for doubtful debts ₹. 2,500  
 Dec. 31, 2021 Bad debts ₹. 1,870  
 Dec. 31 2021 Debtors ₹. 20,000

5 On 1. 1. 2020 the goods invoiced by Bombay Head Office of a trader to its Madras Branch were Rs. 96,000 at invoice price being 33.1/3% on cost price for 6 months ended June 30, 2020, the return showed that the sales were Rs. 58,000. The goods invoiced at Rs.4,000 were returned by the branch to the head office. The closing stock at Madras Branch on June 30, 2020 were Rs. 33,600 at selling price. There was no opening stock at the Branch.

You are required to prepare a) Branch stock a/c b) Branch adjustment a/c c) Goods sent to branch a/c in Bombay Head Office Books.

6 Pass necessary adjustment entries for the following

- Salaries outstanding Rs.15,000
- Prepaid insurance Rs.5,000
- Interest accrued on investment Rs.700
- Commission received Rs.2,000

	e) To provide 10% interest on capital of Rs. 6,00,000 f) Closing Stock Rs. 10,000																																																																
7	What is single entry? What are its salient features?																																																																
8	Differentiate GAAP and IFRS																																																																
<b>SECTION B</b>																																																																	
<b>Answer ANY THREE of the following</b> <span style="float: right;"><b>3 x 20 = 60 Marks</b></span>																																																																	
9	Discuss the various accounting concepts and conventions.																																																																
10	From the following Balances as at 1.04.20 of a trader, prepare Trading, P&L a/c and B/S. <table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th style="width: 35%;">Particulars</th><th style="width: 15%;">Rs.</th><th style="width: 35%;">Particulars</th><th style="width: 15%;">Rs.</th></tr></thead><tbody><tr><td>Drawings</td><td style="text-align: right;">760</td><td>Capital</td><td style="text-align: right;">29000</td></tr><tr><td>Purchases</td><td style="text-align: right;">8900</td><td>Sales</td><td style="text-align: right;">15000</td></tr><tr><td>Sales Returns</td><td style="text-align: right;">280</td><td>Purchase Returns</td><td style="text-align: right;">450</td></tr><tr><td>Stock on 1/4/18</td><td style="text-align: right;">1200</td><td>Interest</td><td style="text-align: right;">350</td></tr><tr><td>Wages</td><td style="text-align: right;">800</td><td>Creditors</td><td style="text-align: right;">1200</td></tr><tr><td>Buildings</td><td style="text-align: right;">22000</td><td>Bills Payable</td><td style="text-align: right;">700</td></tr><tr><td>Carriage on Purchase</td><td style="text-align: right;">2000</td><td></td><td></td></tr><tr><td>Trade Expenses</td><td style="text-align: right;">200</td><td></td><td></td></tr><tr><td>Advertisement</td><td style="text-align: right;">240</td><td></td><td></td></tr><tr><td>Taxes and Insurance</td><td style="text-align: right;">130</td><td></td><td></td></tr><tr><td>Debtors</td><td style="text-align: right;">6500</td><td></td><td></td></tr><tr><td>Bills Receivables</td><td style="text-align: right;">1500</td><td></td><td></td></tr><tr><td>Cash at Bank</td><td style="text-align: right;">1390</td><td></td><td></td></tr><tr><td>Salaries</td><td style="text-align: right;">800</td><td></td><td></td></tr><tr><td></td><td style="text-align: right; border-top: 1px solid black;"><b>46700</b></td><td></td><td style="text-align: right; border-top: 1px solid black;"><b>46700</b></td></tr></tbody></table> <p><b>Adjustments:</b></p> <ul style="list-style-type: none"><li>i) Closing Stock Rs. 1500 as on 31<sup>st</sup> March 2019</li><li>ii) Insurance prepaid Rs. 40</li><li>iii) Outstanding salaries Rs.200 and Taxes Rs. 130</li><li>iv) Depreciate Building at 2% p.a.</li></ul>	Particulars	Rs.	Particulars	Rs.	Drawings	760	Capital	29000	Purchases	8900	Sales	15000	Sales Returns	280	Purchase Returns	450	Stock on 1/4/18	1200	Interest	350	Wages	800	Creditors	1200	Buildings	22000	Bills Payable	700	Carriage on Purchase	2000			Trade Expenses	200			Advertisement	240			Taxes and Insurance	130			Debtors	6500			Bills Receivables	1500			Cash at Bank	1390			Salaries	800				<b>46700</b>		<b>46700</b>
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11	The following purchase were made by a business house, having three departments. <table border="1" style="width: 100%; border-collapse: collapse;"><tbody><tr><td style="width: 40%; padding: 5px;">Dept. -A 2,000 units Dept. -B 4,000 units Dept. -C 4,800 units</td><td style="width: 60%; padding: 5px; text-align: center;">At a total cost of Rs. 2,00,000</td></tr><tr><td colspan="2" style="padding: 5px;">Stock on 1<sup>st</sup> January Dept. -A 240 units Dept. -B 160 units Dept. -C 304 units</td></tr><tr><td colspan="2" style="padding: 5px;">Sales were: Dept. -A 2,040 units at Rs.20 each Dept. -B 3,840 units at Rs.22.50 each Dept. -C 4,992 units at Rs.25 each</td></tr></tbody></table> <p>The rate of gross profit is same in each case. Prepare Department Trading Account</p>	Dept. -A 2,000 units Dept. -B 4,000 units Dept. -C 4,800 units	At a total cost of Rs. 2,00,000	Stock on 1 <sup>st</sup> January Dept. -A 240 units Dept. -B 160 units Dept. -C 304 units		Sales were: Dept. -A 2,040 units at Rs.20 each Dept. -B 3,840 units at Rs.22.50 each Dept. -C 4,992 units at Rs.25 each																																																											
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12	What is instalment purchase system? What are its characteristics?																																																																
13	Mr. A purchased a machine from B Ltd. For Rs,5,60,000: payments to be made Rs.1,50,000 down three instalments of Rs.1,50,000 each at end of each year. He depreciates the assets at 10% per annum on written down value method. Because of financial difficulties, Mr. A after having paid down payments and first instalment at the end of the first year, could not pay second instalment and the seller took possession of the assets. Open ledger account in the books of both parties to record the transactions.																																																																
14	Summarize the details to be shown in the Social responsibility Accounting and balance sheet.																																																																

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