



# LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

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

**FIRST SEMESTER – APRIL 2025**

**UCO1MC01 – FINANCIAL ACCOUNTING**



Date: 23-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

S.No	K- Level	Section A
		<b>Answer all the questions (10x2=20)</b>
1.	<b>K1</b>	Pass necessary journal entries in the following: 1. Closing Stock 2. Outstanding Expenses
2.		How will you treat the following in the accounts of Non Trading Concern. 1. Government Grant 2. Honorarium
3.		What do you understand by stock and Debtor System?
4.		What is the cash price of the machine from the following Down Payment Rs.10,000, 4 Annual installments at the end of each year Rs.10,000, Rate of interest 5% p.a.
5.		A and B are partners sharing profits in the ratio of 3:2. C is admitted for 1/5 <sup>th</sup> share which he acquires equally from both A and B . Find out the new ratio of partners.
6.	<b>K2</b>	The Sundry Debtors on 31 <sup>st</sup> Dec.1995 are Rs.40,000. On analysis , it is found that debtors for Rs.36,000 are good. The debtors for Rs.3,000 are doubtful and are estimated to realize 2/3 <sup>rd</sup> of the amount and the debtors for Rs.1,000 are bad. Make a provision for doubtful debts. Show how it appear in Profit and Loss account and Balance sheet.
7.		How will the following appear in the Final Accounts of Trichy Sports Club? Stock of sports material on 1.1.1999 Rs.3,000 Sports materials purchased during 1999 Rs.8,500 Sale of Old sports material during 1999 Rs.100 Stock of sports material on 31.12.1999 Rs.600.
8.		What is the opening branch debtors balance from the following transaction? Credit sales Rs.51,000, Received from debtors by the branch Rs.42,500, Branch debtors (closing) Rs.7,700, Discount allowed to customers by branch Rs.1,800
9.		State any two differences between hire purchase and instalment.
10.		P,Q and R are partners sharing profits in the ratio of 1/2, 1/3 and 1/6 respectively. C retires and his share was taken up by A and B in the ratio of 2:1. Find out the new ratio.
		<b>Section B</b>
		<b>Answer all the questions (4x10=40)</b>
11.	<b>K3</b>	Explain the various Objectives of Accounting. OR
12.		Pass necessary adjustment entries for the following adjustments. 1. Depreciation at 10% is to be charged on Machinery standing in the books at Rs.1,00,000. 2. Insurance unexpired Rs.200 3. Salaries Outstanding Rs.10,000 4. To provide 10% interest on Capital of Rs.2,50,000 5. Commission received in advance Rs.1000.

13.		From the following particulars prepare Income and Expenditure Account.																																
		<table><tr><th>Particulars</th><th>Amount</th><th>Particulars</th><th>Amount</th></tr><tr><td>Fee collected, including Rs.80,000 on account of previous year</td><td>3,80,000</td><td>Salary paid, including Rs.3,000 on A/C of the previous year</td><td>28,000</td></tr><tr><td>Meeting expenses</td><td>10,000</td><td>Travelling expenses</td><td>6,000</td></tr><tr><td>Purchase of books and (including Rs.19,000 for purchase of books)</td><td>18,000</td><td>Rent</td><td>10,000</td></tr><tr><td>Salary outstanding at the end of the year</td><td>29,000</td><td>Entertainment expenses</td><td>3,000</td></tr><tr><td>Tournament expenses</td><td>1,000</td><td>Postage</td><td>15,000</td></tr><tr><td>Printing &amp; Stationery</td><td>12,000</td><td>Donations received</td><td>20,000</td></tr><tr><td></td><td>4,000</td><td></td><td></td></tr></table>	Particulars	Amount	Particulars	Amount	Fee collected, including Rs.80,000 on account of previous year	3,80,000	Salary paid, including Rs.3,000 on A/C of the previous year	28,000	Meeting expenses	10,000	Travelling expenses	6,000	Purchase of books and (including Rs.19,000 for purchase of books)	18,000	Rent	10,000	Salary outstanding at the end of the year	29,000	Entertainment expenses	3,000	Tournament expenses	1,000	Postage	15,000	Printing & Stationery	12,000	Donations received	20,000		4,000		
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14.		OR Distinguish between Receipts and Payments Account and Income and Expenditure Account.																																
15.		A Madras head office has a branch at Salem to which goods are invoiced at cost plus 20%. From the following particulars prepare Branch Account in the head office books : Rs																																
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16.	K4	OR A Company had two departments M and N. M department supplies goods to N department at its usual selling price. From the following figures prepare departmental trading and profit and loss account.																																
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17.		A, D and G are partners sharing profits and losses in the ratio of 4:3:1 respectively. D retires , selling his share of profits to A and G for Rs.16,200, Rs.7,200 being paid by A and Rs.9,000 being paid by G. The profit of the firm after D's retirement is Rs.21,000. Distribute the above profit between A and G showing how you arrive at the same.																																
18.		OR Malan Purchased a Machinery on Hire Purchase System on 1 <sup>st</sup> January 1993. The terms of payments are four annual instalments of Rs. 12,690 at the end of each year. Interest is charged @5% and is included in the annual payment of Rs.12,690. Show Machinery Account and Hire Vendor Account in the books of Malan who defaulted in the payment of the third yearly payment where upon the vendor repossessed the Machinery. Malan provides depreciation on the machine @10% p. a on the Reducing Balance.																																

Section C			
Answer all the Questions		(2x20=40)	
19.	<b>K5</b>	Prepare Trading, Profit and Loss Account and Balance sheet from the following Trial Balance of Mr.X.	
		Debit	Credit
		Rs	Rs
		Sundry Debtors	X Capital
		92,000	70,000
		Plant and Machinery	Purchase Return
		20,000	2,600
		Interest	Sales
		430	2,50,000
		Rent, Rate,Tax and Insurance	Sundry Creditors
		5,600	60,000
		Conveyance Charges	Bank Overdraft
		1,320	20,000
		Wages	
		7,000	
		Sales Return	
		5,400	
		Purchases	
		1,50,000	
		Opening Stock	
		60,000	
		Drawings	
		22,000	
		Trade expenses	
		1,350	
		Salaries	
		11,200	
		Advertising	
		840	
		Discount	
		600	
		Bad debts	
		800	
		Business Premises	
		12,000	
		Furniture and Fixtures	
		10,000	
		Cash in hand	
		2,060	
		4,02,600	4,02,600
		Adjustments:	
		Closing Stock Rs.90,000	
		Provide depreciation on premises at 2.5%, Plant & Machinery at 7.5%, and Furniture and Fixtures Rs.10%.	
		Write off Rs.800 as further bad debts.	
		Provide for doubtful debts at 5% on sundry debtors.	
		Outstanding rent was Rs.500 and Wages Rs.400.	
		Prepaid Insurance Rs.300 and salaries Rs.700.	
		OR	
20.		Following is the Balance Sheet of XY and Z Ltd. As on 31.12.2004.	
		Rs	Rs
		Sundry Creditors	Cash in Hand
		30,000	2,000
		Reserve Fund	Cash at Bank
		32,000	50,000
		Capital A/Cs: X - 1,00,000	Debtors
		Y - 50,000	60,000
		Z - 50,000	
		2,00,000	
			Stock
			60,000
			Furniture
			80,000
			Tools
			10,000
		2,62,000	2,62,000
		Y died on 31 <sup>st</sup> March 2005. Under the Partnership agreement the executor of Y was entitled to:	
		a. Amount standing to the credit of his capital account.	
		b. Interest on capital which amounted to Rs.625	
		c. His share of goodwill Rs.35,000	
		d. His share of profit from the closing date of last financial year to the date of death which amounted to Rs.4,375. Y's executor was paid Rs.18,000 on 1 <sup>st</sup> April 2005 and the balance was to be paid in four equal yearly instalments starting from 31.03 2006 with interest @6% p.a. Prepare Y's Capital A/c, Y's executor's a/c till it is finally paid. Assume profits are shared in the capital ratio.	

21.

**K6**

Following is the Receipts and Payments account of Kandan Recreation Club for the year ended 31<sup>st</sup> March 2002.

Receipts	Rs	Payments	Rs
To Balance b/d	7,000	By Salaries	28,000
To Subscriptions:		By General expenses	6,000
2000-2001 5,000			
2001-2002 20,000			
2002-2003 4,000	29,000		
To Rent for use of Conference room	14,000	By Electricity	4,000
To Receipts from entertainment facilities	28,000	By Books Purchased	10,000
To Sale of Old Magazines	2,000	By Periodical purchased	8,000
		By Loan repaid	20,000
		By Balance c/d	4,000
	80,000		80,000

Additional data:

1. The club has 50 members, each paying Rs.500 Per annum as subscription.
  2. Subscription outstanding on 31.3.2002 Rs.6000.
  3. Salaries outstanding Rs.2000. Salaries paid include Rs.6000 for 2000-01.
  4. On 1.4.2001, the clubs properties were: Building rs.2,00,000 Furniture & Fittings Rs.20,000 and Books Rs.20,000.
  5. Provide 10% depreciation on Buildings and Furniture.
- Prepare Income and Expenditure Account for the year ending 31.3.2002 and a Balance sheet on that date.

OR

A head office invoices goods to its branch at cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the H.O. From the following particulars prepare the necessary accounts on the Stock and Debtors System to show the profit or loss of the branch.

22.

Particulars	Rs	Particulars	Rs
Stock on 1.1.1989( Invoice price)	27,900	Debtors on 1.1.1989	20,400
Goods invoiced to the branch(invoice Price)	1,53,000	Cash Sales	75,000
Credit Sales	93,000	Cash collected from debtors	91,200
Goods returned by Debtors	3,600	Goods returned to HO by branch	4,500
Shortage of stock	1,350	Discount allowed	600
Expenses at the Branch	16,200	Bad debts	600

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