



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FIRST SEMESTER – NOVEMBER 2017

CO 1502 – FINANCIAL ACCOUNTING

Date: 14-11-2017

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

PART-A (10x2 = 20)
Answer all the question

1. What do you mean by Balance Sheet?
2. A machine cost price Rs.50,000 with life of 5 years and scrap value after 5 years Rs.5000. Find out the amount of depreciation.
3. What is meant by Statement of Affairs?
4. State the meaning of Self Balancing ledger account.
5. What is Independent Branch?
6. What is meant by Inter-Department Transfer?
7. Calculate loading of profit $\frac{1}{3}$ on cost price
Opening stock (invoice price) 15,000 and closing stock (invoice price) 13,500
8. Prepare Machinery account and find out Closing balance assets from the following:

Opening Balance assets	8, 00,000
Assets sold	8,000
Loss on sale of assets	2,000
Assets purchased	3, 40,000
Depreciation	80,000
9. Write short note on GAAP.
10. Give the meaning of Human Resource Accounting.

PART-B (4x10 = 40)
Answer any four questions

11. Distinguish between straight line method and written down value method.
12. What are the features of Hire Purchase System?
13. Abi & Co purchased a machine on 1.1.1995 for Rs.9,250 and immediately spent Rs.750 on its erection. On 1.7.1996 it purchased another machine for Rs.2,500 and on 1.7.1997 it sold off the first machine purchased in 1995 for Rs.7,000 and on the same date it purchased another machine for Rs.6,250. On 1.7.1998 the second machine purchased for Rs.2,500 was also sold off for Rs.500. Depreciation was provided on the machinery on written down value basis at 10% p.a. Give machinery account for four years commencing from January 1,1.1995.

14. Kannan kept his books on single entry system. His position on 31.12.2012. was as follows:, Find out the Profit (or) loss during the year 2013.

Cash in hand	250
Bank	2,750
Stock	21,000
Debtors	7,500
Furniture	1,750
Machinery	15,000
Creditors	18,000

His position on 31.12.2013

Cash in hand	300
Bank	2,200
Stock	12,000
Debtors	18,000
Machinery	25,000
Creditors	23,000
Addition capital during the year 31/12/2013	5,000
Withdrew during 2013	600 every month

15. From the following particulars, prepare Departmental Trading account:

	Department A Rs.	Department B Rs.
Opening stock	9,000	8,400
Total purchases	27,000	21,600
Total sales	42,000	36,000
Closing stock	10,800	4,800
Credit purchases	17,000	10,600
Credit sales	5,000	6,000

Transfer of goods from Department A to B Rs.4,000.

Transfer of goods from Department B to A Rs.500

16. Mohan & Co Ltd. sells goods under Hire Purchase System. Total profit is 25% on sale price. Calculate its total profit by preparing necessary accounts under Stock and Debtors system with its transaction for a period up to 31.12.2008.

1.1.2008	stock out at Hire Purchase Price	20,000
1.1.2008	stock in hand	2,500
1.1.2008	instalment due	1,500
31.12.2008	stock out at Hire Purchase Price	23,000
31.12.2008	stock in hand (at shop)	3,500
31.12.2008	instalments due	2,500
31.12.2008	cash received on Instalments during the current year	40,000

17. Explain in detail social income statement and social Balance sheet.

PART-C (2x20 = 40)
Answer any two questions:

18. Prepare Trading, profit and loss account and balance sheet from the following trial balance of Mr. Madan for the year ended 31st March 2017.

	Rs.		Rs.
Sundry debtors	92,000	Madan's Capital	70,000
Plant and machinery	20,000	Purchases return	2,600
Interest	430	Sales	2,50,000
Rent, rates and insurance	5,600	Sundry creditors	60,000
Conveyance charges	1,320	Bank overdraft	20,000
Wages	7,000		
Sales return	5,400		
Purchases	1,50,000		
Opening stock	60,000		
Madan's 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

Additional Information:

1. Stock on hand on 31/03/2017 Rs.90,000
2. Provide depreciation on premises at 2.5%, Plant and machinery at 7.5%, furniture and fixtures at 10%.
3. Write off Rs.800 as further bad debts.
4. Provide for doubtful debts at 5% on sundry debtors.
5. Outstanding rent was Rs.500 and outstanding wages Rs. 400.
6. Prepaid insurance Rs.300 and prepaid salary Rs.700

19. Rathinam maintains his books under single entry system. From the following information prepare Trading and profit and loss account for the year ending 31/03/2017 and also balance sheet as on that date.

	31/03/2016	31/03/2017
Debtors	16,300	21,250
Stock	8,330	11,220
Furniture	850	850
Creditors	5,100	3,780

	Rs.		Rs.
Cash received from debtors	52,680	Cash sales	1,275
Cash paid to creditors	37,400	Cash purchases	4,250
Salaries	10,200	Discount received	595
Rent and rates	1,275	Discount allowed	255
Other expenses	1,530	Returns inwards	850
Drawings	2,550	Returns outward	680
Additional capital	1,700	Bad debts	170

Adjustments: Write off depreciation @5% on furniture, Provide doubtful debts @1% on debtors.

20. The following information relates to Madurai branch:

	Rs.	Rs.
Stock on 1/4/2016.		11,200
Branch debtors on 1/4/2016		6,300
Goods sent to branch		51,000
Cash sent to branch for:		
Rent	1,500	
Salaries	3,000	
Petty cash	500	
		5,000
Sales at branch:		
Cheques sent to branch during 2016-17		
Cash	25,000	
Credit	39,000	
		64,000
Cash received from debtors		41,200
Stock on 31/03/2017		13,600

Prepare Branch account for the year ended 31st March 2017.

21. Mr. Balu purchased a machinery from Kumar & Co. on hire purchase system on 1.1.2015. The cash price of the machine was Rs.1,00,000, Rs.20,000 to be paid at the time of taking delivery and balance by four instalments of 20,000 plus interest 5% on yearly balances.

Balu failed to pay the instalment due on 31.12.2016. Kumar & Co took possession of the machinery and valued the same in their books after charging depreciation @10% p.a on reducing balance method. In 2017 kumar & Co incurred Rs.1,000 for reconditioning and re-sold the machinery for Rs.90,000.

Show the ledger accounts in the books of Mr. Balu and Kumar & Co.
