



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIRST SEMESTER – APRIL 2013

BU 1502 - FINANCIAL ACCOUNTING

Date: 09/05/2013
Time: 1:00 - 4:00

Dept. No.

Max. : 100 Marks

SECTION A

Answer ALL questions:

(10x2=20)

1. What is trial balance?
2. What is depreciation?
3. What are self balancing ledgers?
4. What is Net worth method?
5. What is dependent branch?
6. What is stock and debtors system?
7. What is complete repossession?
8. What is Hire Purchase Price?
9. What is Inter – departmental transfer?
10. Explain loss of stock of Insurance claims.

SECTION B

Answer any FIVE questions:

(5x8=40)

11. Distinguish between 'Trial balance' and 'Balance sheet'.
12. Describe the limitations of single entry system.
13. Explain the features of different types of branches and the type of accounting followed in them.
14. A machine was purchased for Rs. 30,000 on 1.1.2006. This is expected to last for 5 years. Estimated scrap at the end of five years is Rs.5,000. Find out the rate of depreciation under straight line method.
15. Sales Rs. 1,60,000; Rate of gross profit is 25% on sales; purchases Rs 1,40,000 and the closing stock Rs 30,000. Find out the opening stock.
16. Journalise the following under stock and Debtors system.
 - a) Goods Sent to branch Rs 80,000;
 - b) Sales at Branch
 - (i) For Cash Rs 65000
 - (ii) On Credit Rs 36000
17. A purchases a bus on hire purchase from B for Rs.2,00,000. He pays Rs. 50,000 each at intervals of 2 years. B charges interest as 10% p.a at yearly rests. Calculate the amount of cash price of the bus.
18. There are two departments in a firm X and Y Goods are transferred from Dept. X to Dept. Y at usual selling price. You are required to compute stock reserve on stocks of Dept. Y from the following data.

G.P ratio of Dept. X	: 25% on cost
Opening stock of Dept Y	: Rs 50,000
Closing stock of Dept Y	: Rs 75,000

SECTION C

Answer any TWO of the following:

(2*20=40)

19. What are the bases on which common expenses are apportioned among departments?
 20. The balance in the machinery a/c stood at Rs 40,500 on 1-4-2009 after providing depreciation using written down value method at 10% for two years. On that date it was decided to change the method to original cost from the date of purchase at 10% per annum. Prepare machinery A/C from 2007 – 08 to 2009 – 2010.

21. From the following details prepare trading and profit & loss account and balance sheet.

	As on 1.1.2005	As on 31.12.2005
	Rs	Rs
Creditors	37,500	43,750
Furniture	2,500	2,500
Cash	6,250	10,000
Debtors	62,500	87,500
Stock	25,000	12,500
Other details:- Drawings Rs 10,000; Bad debts Rs 1250; Discount received Rs 3750; Discount allowed Rs 2500; sundry expenses Rs 7500; payment to creditors Rs 1,12,500; collection from debtors Rs 1,33,750; sales returns Rs 3750; purchase returns Rs 1250; charge 5% depreciation on Furniture.		

22. A machinery was purchased on Hire purchase basics by agreeing to pay four annual installments of Rs. 4,230 at the end of each year commencing from the date of the agreement. Interest is charged @ 5% and is included in annual payments of Rs 4,230. Show Machinery A/C and Hire vendor A/C in the books of Purchaser when he commits a default in paying third installment and the asset was repossessed. Purchaser provide depreciation on the machinery @ 10% p.a on SLM.

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