

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.B.A.DEGREE EXAMINATION –BUSINESS ADMINISTRATION

FIRST SEMESTER – APRIL 2019

BU 1502– FINANCIAL ACCOUNTING

Date: 02-04-2019

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

SECTION – A

(10X2=20)

ANSWER ALL QUESTIONS:

1. What are the contingent liabilities?
2. What are direct expenses?
3. List out any two merits of single entry system?
4. Give any two differences between statement of affairs and balance sheet?
5. Prepare trading account of Mr.Ashok for the year ending 31/03/2009 from the following data:

	Rs.
Opening stock	1,00,000
Purchases	5,60,000
Freight	40,000
Closing stock	1,20,000
Sales	7,60,000
Carriage inwards	20,000
Advertisement	5,000

6. Find out the rate of depreciation and amount of depreciation under straight line method:

Cost of machinery	Rs.1,00,000 on 01/04/2009
Useful life on the machinery	10 years
Residual value	Rs.10,000

7. Capital on 01/04/1994 Rs.50,000 drawings at Rs.1,000 per month at the beginning of interest on capital at 12% p.a. interest on drawings at 6% p.a. capital on 31/03/1995 Rs.80,000 calculate profit for 1994-95.
8. Prepare branch account from the following particulars:

	Rs.
Goods sent to branch	15,000
Cash sent to branch for expenses	6,000
Cash received from branch	24,000
Stock on 31 st December	2,300

9. Raman purchases motor car from Bharath whole cash price is Rs.56,000 on 01/01/2003. Rs.15,000 is paid on signing the agreement and the balance is to be paid in three equal installments of Rs.15,000 each. The rate of interest is 5% p.a. Calculate the amount of interest in each installment.

10. Apportion the following expenses on the basis of cost of goods sold ratio among the four departments A,B,C and D

Sales : A – Rs.4,00,000, B – Rs.3,00,000,
 C – Rs.2,00,000, D – Rs.1,00,000

Gross profit ratio : 40% on sales

Expenses : Salaries - Rs.12,000
 Rent - Rs.3,000
 Insurance - Rs.2,600

SECTION – B

(4X10=40)

ANSWER ANY FOUR QUESTIONS:

11. Distinguish between hire purchase system and installment system.

12. What are the characteristics of single entry system?

13. The book value of plant and machinery on 01/01/2006 was Rs.4,00,000. New machinery was purchased on 01/10/2006 for Rs.20,000 and on 01/07/2007 for Rs.40,000. On 01/04/2008 a machinery whole book value had been Rs.60,000 on 01/01/2006 was sold for Rs.32,000 and the entire amount was credited to profit and loss account. Depreciation had charged at 10% p.a. on straight line method. Show the plant and machinery A/c from 01/01/2006 to 31/12/2008.

14. From the following information find out credit sales and credit purchases of the year 2008.

Particulars	31/12/2007	31/12/2008
	Rs.	Rs.
Balance of debtors	2,00,000	2,40,000
Balance of creditors	1,90,000	1,52,000
Cash paid to creditors	-	4,00,000
Discount allowed by them (creditors)	-	10,000
Return inward	-	1,00,000
Return outward	-	48,000
Cash received from customers	-	8,00,000
Discount allowed to them	-	60,000
Bills receivable received from customers	-	3,40,000
Bills payable accepted	-	92,000
Bad debts	-	1,30,000
Bills receivable dishonored	-	70,000

15. A head office in Trichi has a branch at Coimbatore. From the following information prepare Coimbatore branch A/c.

	Rs.		Rs.
Stock on 01/01/1995	8,500	Goods sent to branch	23,760
Stock on 31/12/1995	12,800	Goods returned by branch	1,000
Debtors on 01/01/1995	13,450	Bad debts at branch	650
Credit sales	24,850	Remittance by H.O. for expenses;	-
Cash sales	14,600	Salaries	4,150
Cash received from debtors	23,870	Rent	4,020

16. A machinery was purchased on Hire purchase basis by agreeing to pay four annual installments of Rs.4,230 each at the end of each year commencing from the date of the agreement. Interest is charged at 5% and is included in annual payments of Rs.4,230.

Show machinery account and Hire vendor account in the books of purchaser. When he commits a default in paying third installment the asset was repossessed. Purchaser provides depreciation on the machinery at 10% p.a. on SLM.

17. A departmental stores carries on its business through five departments A,B,C,D and E. The following information for 2003 is now made available to you.

1. Salaries and commission Rs.11,020, Rent Rs.2,900, Insurance Rs.1,160, Miscellaneous expenses Rs.2,610.

2. All the expenses are chargeable to each department in proportion to the cost of the articles sold in the respective departments.

3. The following balances as at 31/12/2003 were ascertained.

Particulars	A	B	C	D	E
Opening stock at cost	10,000	6,000	15,000	8,000	9,000
Purchase	1,00,000	60,000	20,000	52,000	60,000
Sales	96,000	62,000	19,000	46,000	60,000
Closing stock at cost	23,000	8,000	6,000	2,000	11,000

Prepare the trading and profit last account to show the result as each department and also the combined results.

SECTION – C

(2X20=40)

ANSWER ANY TWO QUESTIONS:

18. Elaborate the main objectives and advantages of the department an accounting?

19. Prepare final accounts with the help of following trial balance as on 31/12/2007.

Particulars	Debit Rs.	Credit Rs.
Capital	-	4,250
Drawings	710	-
Machinery	950	-
Opening stock	1,460	-
Purchases and sales	10,362	11,906
General expenses	440	-
Purchase return / Sales return	210	291
Rent	120	-
Rates	200	-
Apprentice premium	-	80
Bank over draft	-	240
Bad debts	172	-
Debtors / Creditors	4,200	2,000
Cash in hand	48	-
Bad debts provision	-	105
	<u>18,872</u>	<u>18,872</u>

Adjustments:

1. Write depreciation at 10% on machinery
2. Increase provision for bad debts on debtors to 5%
3. Accrued rent Rs.40
4. Rates prepaid Rs.80
5. Value of closing stock on 31/12/2007 was Rs.1,700
6. Apprenticeship premium prepaid was Rs.20.

20. X ltd of Madras has a branch at Trichy and in order to maintain strict control on stocks, invoices goods to branch at selling price, which is cost plus 33 1/3%. From the following particulars make out the branch stock A/c, branch Drs A/c, and other necessary accounts to show the goods profit and net profit / net loss made there.

Particulars	Rs.	Particulars	Rs.
Stock on 01/01/1994 (Invoice price)	15,000	Bad debts	250
Debtors on 01/01/1994	11,400	Discount allowed to customers	300
Goods inverted to branch	67,000	Expenses at the branch	6,700
Invoice price Cash sales	31,000	Stock on 31/12/1994 (Invoice price)	13,400
Credit sales	37,400	Cash received from debtors	40,000

21. Fire occurred in the premises of vasan on 10th June 2008. In order to make a claim on their five policy in respect of the stock, they ask your advice and you are able to obtain the following information.

Particulars	2005	2006	2007	2008
Opening stock	1,60,000	1,50,000	1,60,000	1,80,000
Purchases	4,10,000	4,72,000	5,66,000	7,80,000
Sales	6,00,000	6,60,000	7,80,000	9,90,000
Closing stock	1,50,000	1,60,000	1,80,000	?

The stock salvaged was Rs.38,000. Compute the amount of claim.
