



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIRST SEMESTER – NOVEMBER 2016

BU 1502/BU 2501/BU 2500 – FINANCIAL ACCOUNTING

Date: 05-11-2016

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

PART - A

Answer ALL the questions:

(10 x 2 = 20 marks)

1. Define “Depreciation”.
2. What do you mean by accrued income?
3. Calculate the missing figure, from the following,
 - a) Profit made during the year Rs.24,000.
 - b) Capital at the end of the year Rs.80,000
 - c) Drawings Rs.12,000
 - d) Capital introduced in middle of the year Rs.20,000
 - e) Opening profit?
4. State the features of single entry system.
5. What do you mean by dependent branch
6. From the following details, calculate the net load on goods sent to branch.

Goods sent to branch (cost to HO) Rs.1,80,000

Goods returned by branch to HO Rs.25,000

Goods are invoiced to the branch at cost plus 25%

7. What is reposed stock?
8. What is instalment system?
9. What do you understand by inter-departmental transfers?
10. Pass necessary journal entries.
 - a) Wages outstanding Rs,10,000
 - b) Depreciation on machinery provided Rs.6,000
 - c) Interest Received in advance 7,000.

PART – B

Answer any FOUR questions

(4 x 10 = 40 marks)

11. Explain the various methods of providing depreciation.
12. Distinguish between trial balance and balance sheet.
13. On 1st January 1995 machinery was purchased for Rs.3,00,000. Depreciation is provided @10% p.a on diminishing value method. Prepare the machinery account for the year 1997 if this machine was destroyed by fire on 1/7/97 and its scrap was sold for Rs.16,000 and the insurance company paid Rs.1,34,000 only. The accounts are closed on 31st December every year.

PART – C

Answer any TWO questions

(2 x 20 = 40 marks)

18. Prepare final accounts from the following trial balance of Mr. Thirumurugan as on 31/3/2012.

Debit balances	Rs.	Credit balances	Rs.
Land and building	42,000	Capital	62,000
Machinery	20,000	Sales	98,780
Patents	7,500	Return outwards	500
Stock 1/4/2011	5,760	Sundry creditors	6,300
Sundry debtors	14,500	Bills payable	9,000
Purchases	40,675		
Cash in hand	540		
Cash at bank	2,630		
Return inwards	680		
Wages	8,480		
Fuel & Power	4,730		
Carriage on Purchases	2,040		
Carriage on Sales	3,200		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
TOTAL	1,76,580		1,76,580

Adjustments:

1. Stock Rs.31/03/2012 Rs.6,800
2. Salary outstanding Rs.1,500
3. Insurance prepaid Rs.150
4. Depreciation on machinery 10% and patents 20%
5. Create a provision of 2% on debtors for bad debts.

19. Mr. Raja keeps his books under single entry system. From the following: Prepare trading and profit and loss account and balance sheets as on 31/3/2015.

Interest charges Rs.100	Payment to creditors Rs.15,000
Personal withdrawals Rs.2,000	Balances at bank as on 31/3/2015 Rs.425
Staff salary Rs.8,500	Cash in hand as on 31/3/2015 Rs.75
Other business expenses Rs.7,500	Received from debtors Rs.25,000
Cash sales Rs.15,000	

Further details available are:

	As on 31/3/2014 (Rs.)	As on 31/3/2015 (Rs.)
Stock on hand	9,000	10,220
Creditors	8,000	5,500
Debtors	22,000	30,000
Furniture	1,000	1,000
Office premises	15,000	15,000

Provide 5% interest on capital as on 1/4/2014. Provide Rs.1,500 for doubtful debts, 5% depreciation on all fixed assets. 5% group incentives commission to staff has to be provided for on net profit after meeting all expenses and the commission.

20. A Delhi head office sent goods of Madras Branch at 25% profit over cost. Form the following details, prepare the necessary ledger accounts (branch stock a/c, branch expenses a/c. branch adjustment a/c and branch profit and loss a/c) in the books of head office under stock debtors system.

Rs.

Opening stock of goods at branch at invoice price	20,000
Goods sent to branch at invoice price	90,000
Loss of goods in transit at invoice price	6,000
Pilferage at branch at the cost of branch	1,200
Closing stock at branch at its cost to branch	16,000
Sales at branch	1,05,000
Salaries and wages at branch	6,000
Other expenses at branch	3,000

Madras branch received Rs.4,000 from the insurance company in settlement of the claim for the loss of goods in transit.

21. The Madras Trading Co. purchased a motor car from Bombay Motor Co. on hire purchase agreement on 1/1/2001 paying cash Rs.10,000 and agreeing to pay further three instalment of Rs.10,000 each on 31st December each year. The cash price of the car is Rs.37,250 and the Bombay Motor Co charges interest at 5% p.a.

The Madras Trading writes off 10% p.a as depreciation on the reducing balance method. Journalise the above in the books of both the parties.
