

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**B.Com. DEGREE EXAMINATION – COMPUTER APPLICATIONS****FIRST SEMESTER – NOVEMBER 2022****UCC 1501 – FINANCIAL ACCOUNTING**

Date: 21-11-2022

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A**Answer ALL the Questions in one or two sentences**

1. Define the following		5 X 1 = 5 marks	
i.	Dual Aspect Concept	K1	CO1
ii.	Donations	K1	CO1
iii.	BRS	K1	CO1
iv.	Salvage Value	K1	CO1
v.	One feature of Single entry system	K1	CO1
2. Fill in the blanks		5X1=5 marks	
i.	All business transactions are measured, expressed and recorded in terms of _____	K1	CO1
ii.	Amount received by Non-profit organization as per the will of a deceased person is called _____.	K1	CO1
iii.	If cash book balance was the starting balance, the final balance must be the balance as per the _____ and vice versa.	K1	CO1
iv.	Stock salvaged is subtracted from _____ and claim is made for the balance amount.	K1	CO1
v.	A statement of affairs is just like a _____.	K1	CO1
3. True or False		5X1=5 marks	
i.	Additional Capital provided by the owner during the year may be in cash or in the form of assets or goods.	K2	CO1
ii.	Memorandum Trading account can be prepared for the period from the beginning of the year till the date of fire.	K2	CO1
iii.	Customer's account is maintained in the books of banker.	K2	CO1
iv.	Income and Expenditure A/c is a nominal account.	K2	CO1
v.	Advertising samples are deducted from the purchases	K2	CO1
4. Match the following		5X1=5 marks	
i.	GP ratio	Marketable securities	K2 CO1
ii.	Royalty	Unfavourable balance in bank	K2 CO1
iii.	Conversion method	Double entry system	K2 CO1
iv.	Overdraft	Sales	K2 CO1

v.	Liquid assets	Copyrights	K2	CO1																																								
SECTION B																																												
Answer any TWO of the following			(2 x 10 = 20 marks)																																									
5.	<p>From the following balance as at 31 st December 2020 of a trader, prepare trading and profit and loss account for the year 2020 and balance sheet on the date:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Trial Balance</th> </tr> </thead> <tbody> <tr> <td>Salaries</td> <td style="text-align: right;">5500</td> <td>creditors</td> <td style="text-align: right;">9500</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">1300</td> <td>sales</td> <td style="text-align: right;">32000</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">1000</td> <td>capital</td> <td style="text-align: right;">30000</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">40000</td> <td>loans</td> <td style="text-align: right;">10000</td> </tr> <tr> <td>Trade expenses</td> <td style="text-align: right;">600</td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">25000</td> <td></td> <td></td> </tr> <tr> <td>Advances</td> <td style="text-align: right;">2500</td> <td></td> <td></td> </tr> <tr> <td>Bank balance</td> <td style="text-align: right;">5600</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">81500</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">81500</td> </tr> </tbody> </table> <p>Adjustments</p> <ol style="list-style-type: none"> 1) The closing stock amounted to Rs 9000 2) One month's salary is outstanding 3) One month's rent has been paid in advance 4) Provide 5% for doubtful debts 		Trial Balance				Salaries	5500	creditors	9500	Rent	1300	sales	32000	Cash	1000	capital	30000	Debtors	40000	loans	10000	Trade expenses	600			Purchases	25000			Advances	2500			Bank balance	5600				81500		81500	K3	CO2
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6.	<p>Ragunath's cash book showed a bank balance of Rs 8800 to his credit (favourable balance) on 31st Dec 1993. On examining the entries with pass book it was found that:</p> <ol style="list-style-type: none"> 1. Out of the two cheques issued to Rajaram on 27-12-1993 one for Rs. 860 and another for Rs. 680, the cheque for Rs. 680 was cashed only on 2-1-1994 2. Out of the three cheques deposited in the bank for collection on 26-12-1993 for Rs. 300, Rs. 400 and Rs. 500 respectively, the cheque for Rs. 400 only was collected by 31-12-1993 3. There was credit in the pass book for Rs. 75 towards interest collected directly by the bankers on behalf of Ragunath and a debit in the same book for Rs. 15 towards collection charge but no corresponding entries were found in the cash book 4. A cheque for Rs. 250 was entered in the cash book but was omitted by oversight to be deposited into the bank for collection. 5. A wrong credit for Rs. 225 relating to some other account was found in the pass book. <p>Prepare a bank reconciliation statement as on 31-12-1993 showing the pass book balance</p>		K3	CO2																																								

7.	<p>From the following details, prepare receipts and payment account of the Chennai sports club for the year ended 31/12/2019.</p> <table border="1" data-bbox="215 224 1252 560"> <tr> <td>Balance 1/1/2019</td> <td>6000</td> <td>Subscription</td> <td>-</td> </tr> <tr> <td>Entrance fees</td> <td>11000</td> <td>2018</td> <td>4000</td> </tr> <tr> <td>Rent paid</td> <td>104000</td> <td>2019</td> <td>338000</td> </tr> <tr> <td>Stationery purchased</td> <td>61360</td> <td>2020</td> <td>6000</td> </tr> <tr> <td>Billiards table purchased</td> <td>78000</td> <td>Interest paid</td> <td>30000</td> </tr> <tr> <td>Wages paid</td> <td>106600</td> <td>Donations</td> <td>10000</td> </tr> <tr> <td>Repairs & renewals</td> <td>16120</td> <td>Special subscription for annual day party</td> <td>69000</td> </tr> </table>	Balance 1/1/2019	6000	Subscription	-	Entrance fees	11000	2018	4000	Rent paid	104000	2019	338000	Stationery purchased	61360	2020	6000	Billiards table purchased	78000	Interest paid	30000	Wages paid	106600	Donations	10000	Repairs & renewals	16120	Special subscription for annual day party	69000	K3	CO2
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8.	<p>Articulate short notes on a) Bad debts b) Loss on stock by accidents/fire c) Interest on drawings d) Accrued incomes e) Liabilities.</p>	K3	CO2																												
SECTION C																															
Answer any TWO of the following (2 x 10 = 20 marks)																															
9.	<p>Fire occurred in the premises of reckless Ltd. On 20th February 2014. All stocks were destroyed except to the extent of Rs.19,800. From the following figures, ascertain the loss of suffered by the company.</p> <table border="1" data-bbox="215 1019 917 1433"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Stock on 1. 1. 2013</td> <td>100000</td> </tr> <tr> <td>Purchases during the year 2013</td> <td>365000</td> </tr> <tr> <td>Purchase return during the year</td> <td>5,000</td> </tr> <tr> <td>Stock on 31. 12. 2013</td> <td>140000</td> </tr> <tr> <td>Sales for the year 2013</td> <td>410000</td> </tr> <tr> <td>Sales return during the year 2013.</td> <td>10,000</td> </tr> <tr> <td>Purchase from 1. 1. 2014 to date of fire.</td> <td>84,000</td> </tr> <tr> <td>Sales from 1. 1. 2014 to date of fire.</td> <td>103000</td> </tr> <tr> <td>Sales return from 1.1.2014 to date of fire</td> <td>4,000</td> </tr> </tbody> </table>		Rs.	Stock on 1. 1. 2013	100000	Purchases during the year 2013	365000	Purchase return during the year	5,000	Stock on 31. 12. 2013	140000	Sales for the year 2013	410000	Sales return during the year 2013.	10,000	Purchase from 1. 1. 2014 to date of fire.	84,000	Sales from 1. 1. 2014 to date of fire.	103000	Sales return from 1.1.2014 to date of fire	4,000	K4	CO3								
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10.	<p>A company acquired a lease of a mine at a minimum rent of Rs. 10,000 per annum The royalty was fixed at Rs.0.50 paise per tonne. Short-workings could be recouped within three years following the year in which the short-workings occur. If there is stoppage of production due to strike in any year, the minimum rent would be proportionately reduced in regard to the length of the stoppage.</p> <p>The output (in tonnes) of the mine was as follows 2008 - 8,000; 2009 - 12,500; 2010 - 21,500; 2011 - 26,000; 2012 - 17,000; 2013 - 30,000; During 2012 there was a strike lasting for 3 months .Show the necessary ledger accounts for each of the years in the books.</p>	K4	CO3																												

11.	A company purchased on 1-1-2010 second hand machinery for Rs. 84,000 and spent Rs. 6,000 on its repairs. On 1-4-2011, additional machinery costing Rs. 60,000 was purchased. On 1-7-2012, the machinery purchased on 1-1-2010 became obsolete and was sold off for Rs. 60,000. Depreciation was provided annually on 31st December @ 10% per annum on the original cost of the asset. At the end of 2012, the company changed this method of providing depreciation and adopted the method of writing off 15 % on written down value. Show the machinery A/C for the years 2010 - 2012.	K4	C3
12.	Distinguish between Double Entry and Single Entry system.	K4	CO3

SECTION D

Answer any One of the following

(1 x 20 = 20 marks)

13.	From the following particulars of Ajay Sharma, prepare the manufacturing, trading, and Profit and Loss A/c for the year ended 31 st Dec 2016 and a balance sheet as on that date:	K5	CO4																																																																																				
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<p>Additional information:</p> <ol style="list-style-type: none"> 1. Depreciation to be provided at the following rates: Plant and Machinery -10%, Patents-10%, Buildings-2.5%, Furniture- 5% 2. Provide 2.5% on debtors for doubtful debts 3. Purchases invoices aggregating Rs. 25000 were omitted to be entered in the purchase day book. 4. Debtors include Rs. 5000 due from the proprietor. 																																																																																							

5. An amount of Rs. 5000 received in respect of a private loan advanced by the proprietor which was wrongly credited to sundry debtors a/c
6. Purchase invoices of the value of Rs. 75000 were entered in the purchase day book on 29th December 2016 but the goods in respect thereof, were received on 3rd January 2017
7. An amount of Rs. 3500 received from a debtor was wrongly credited to sales a/c.
8. The annual interest on Government Promissory notes accrued due on 31st December 2016 but was only collected in 2017.
9. Carriages include Rs. 8000 towards outwards charges.
10. Stock in trade as on 31-12-2016. Raw materials Rs. 50000; Finished goods Rs. 40000.

14.

A summary of Receipts and Payments of Madras Sports club for one year is given below:

Receipts and Payments A/c for the year ended 31-12-2017.			
Receipts	Rs.	Payments	Rs.
To Opening balance	3,000	By Salaries&Rent	1500
To Subscription	20,000	By Sports expenses	1000
To Donations	5,000	By Electric charges	300
To Entrance fees	1,000	By Sports goods purchased	9,000
To Interest	100	By Miscellaneous expenses	700
To Charity show receipts	2,400	By Charity show expenses	2,000
		By Investment	8,000
		By Closing balance	9,000
	31,500		31500

Following information is available at the end of the year:

- (a) Of the total subscription received, Rs.500 is for 2016, ad Rs.600 for 2018, but Rs.100 is due for 2017.
- (b) Total sum received on Entrance fees is to be capitalised.
- (c) Salary outstanding is Rs.300.
- (d) Interest on investment is receivable at Rs.500. The club had the following assets as on 1-1-2017.
Sports goods Rs. 3,000; Books Rs. 2,000; Investment Rs. 6,000;
Amount written off sports goods during the year Rs. 1,500. Market value of investments gone down by Rs.500.
Prepare Income and expenditure A/c and Balance sheet as on 31-12-2017.

K5

CO4

SECTION E

Answer any One of the following

(1 x 20 = 20 marks)

15. From the following extracts from the cash book and the bank pass book of Mani and Co., prepare reconciliation statement as on 31st December 2016.

Cash Book					
Date	Particulars	Amount	Date	Particulars	Amount
		Rs			Rs
2016			2016		
Dec 1	To Balance b/d	2500	4-Dec	By Govindan	2600
10	To Kandan	5000	8	By Raghu	3000
15	To Sathish	6500	10	By Sasikala	3500
20	To Ramalingam	3460	15	By AB and Co.	2500
25	To Ramesh	3240	25	By Babu	1600
			30	By Gopu	2000
			31	By Balance c/d	5500
		20700			20700

Bank Pass Book					
Date	Particulars	Amount	Date	Particulars	Amount
		Rs			Rs
2016			2016		
4-Dec	To Kaliyamurthy	2400	Dec. 1	By Balance b/d	4900
15	To Raghu	3000	14	By Kandan	5000
20	To AB and Co.	2500	28	By Ramalingam	3460
29	To Babu	1600			
30	To Govindan	2600			
31	To Balance c/d	1260			
		13360			13360

16. Mr. X has maintained his books by single entry method. From the following details calculate profit for the year and a statement of affairs at the end of the year.

Rs. 1,000 (Cost) furniture was sold for Rs. 5,000 on 1.1.2018. 10% depreciation is to be charged on furniture. Mr. X has drawn Rs. 1,000 p.m. Rs. 2,000 was invested by Mr. X in 2018 as further capital.

Details	1-1-2018 Rs	31-12-2019 Rs.
Stock	40000	60000
Debtors	30000	40000
Cash	2000	1000
Bank	10000	5000 (overdraft)
Creditors	15000	25000
Outstanding expenses	5000	8000
Furniture (cost)	3000	2000

Bank balance on 1.1.2018 is as per cash book but the bank overdraft 31.12.2018 is as per bank statement. Rs. 2,000 cheques drawn in Dec. 2018 not been encashed within the year.
