

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com.DEGREE EXAMINATION –CORPORATE SECRETARYSHIP

SECOND SEMESTER – APRIL 2018

BC 2501– FINANCIAL ACCOUNTING

Date: 24-04-2018
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

SECTION A

ANSWER ALL THE QUESTIONS:

(10*2=20)

1. What do you understand by Final accounts?
2. What is Balance sheet?
3. What is Depreciation?
4. What is the purpose of Fire insurance?
5. What are the different kinds of Branches?
6. What is Repossessed stock?
7. What is Single entry?
8. Journalise the following transaction
 - i.) Purchased building for Rs.10,000
 - ii.) Purchased goods for cash Rs.3,000
9. A machine was purchased for Rs.30,000 on 1/1/86. This is estimated 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.
10. Goods of Rs.80,000 of M/s Raju& sons are insured for Rs.70,000 subject to average clause. Loss due to fire is assessed at Rs.16,000. Calculate what claim the insured will get from the insurers.

SECTION B

ANSWER ANY FOUR QUESTIONS:

(4*10=40)

11. What are the causes for Depreciation?
12. What are the advantages of preparing Departmental accounts?
13. What is the purpose of preparation of Financial statements?
14. Goods Luck ltd opened a branch on 1/1/95 at Calcutta. The following information is supplied to you. Prepare Branch a/c.
Goods sent to Branch Rs.50,000
Cash sales Rs.20,000
Credit sales Rs.36,000
Cash received from Debtors Rs.32,000
Discount allowed to them Rs.600
Cash sent to branch for expenses Rs.7,000

Stock on 31/12/95 Rs.8,000

Debtors on 31/12/95 Rs.3,400

15. On 1st January 1996, Machinery was purchased for Rs..2,50,000. On 1st June 1997 additions were made by purchasing a machinery for Rs.50,000. On 1st March 1998, another machinery was purchased or Rs.32,000. On 30th June 1999, machinery of the original value of Rs.40,000 on 1/1/1996 was sold for Rs.30,000. Depreciation is charged at 10% on original cost. Show the Machinery Account for the years 1996 to 1999.
16. A fire occurred in the premises of a merchant on 15/06/89 and a considerable part of the stock was destroyed. The value of stock saved was Rs.4,500. The books disclosed that on 1/4/89 the stock was valued at Rs.36,750. The purchases to the date of the fire amounted to Rs.1,04,940 and the sales Rs. 1,56,500. On investigation it was found that during the past five years average gross profit on sales was 36% . Calculate the claim to be made.
17. Raman purchases a motor car from Bharath whose cash price is Rs.56,000 on 1/1/93. Rs.15,000 is paid on signing the contract and the balance is to be paid in three equal annual instalments of Rs.15,000 each. The rate of interest is 15% p.a. Calculate the amount of interest.

SECTION C

ANSWER ANY TWO QUESTIONS:

(2*20=40)

18. Distinguish between Hire purchase and Instalment purchase system.
19. From the following Trial Balance of Ravi, prepare Trading and Profit and Loss account for the year ended 31st December 1993 and a Balance sheet.

Particulars	Debit Rs.	Credit Rs.
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank Balance	4,500	
Cash	2,000	
Stock 1/1/93	5,200	
Debtors	2,500	
Creditors		1,000

Adjustments:

- i.) Stock on 31/12/93 Rs. 4,900
- ii.) Salaries unpaid Rs. 300
- iii.) Rent paid in advance Rs.200
- iv.) Insurance prepaid Rs.90

20. The following purchases were made by a business house having three departments

DeptA - 1,000 units
Dept B - 2,000 units
Dept C - 2,400 units

} at a total cost of Rs.1,00,000

Stocks on 1st January were:

Dept A – 120 units

Dept B – 80 units

Dept C – 152 units

Sales were:

Dept A – 1020 units at Rs.20 each

Dept B – 1920 units at Rs.22.50 each

Dept C- 2496 units at Rs.25 each

The rate of Gross profit is same in each case. Prepare Departmental Trading account.

21. Ramesh keeps his books on Single entry basis. Prepare a statement of affairs as on 31/10/1982 and a statement of profit or loss for the period ending 31/10/1982.

Assets and Liabilities	1/11/81	31/10/82
	Rs.	Rs.
Bank Balance	560(Cr)	350(Dr)
Cash on hand	10	50
Debtors	4,500	3,600
Stock	2,700	2,900
Plant	4,000	4,000
Furniture	1,000	1,000

Ramesh had withdrawn Rs.2,000 during the year and had introduced fresh capital of Rs.4,200 on 1/7/1982. A provision of 5% on debtors is necessary. Write off depreciation on plant at 10% and furniture at 15%. Interest on capital is to be allowed at 5%.
