LOYOLA COLLEGE (AUTONOMOUS), CHENNAI - 600 034

B.Com.DEGREE EXAMINATION – **CORPORATE SECRETARYSHIP**

FIRST SEMESTER – APRIL 2019

BC 1502– FINANCIAL ACCOUNTING

Date: 02-04-2019 Time: 01:00-04:00

Answer ALL questions:

PART – A

(10*2=20)

Max.: 100 Marks

- 1. What are the causes for depreciation?
- 2. What is single entry?

Answer any FOUR questions:

- 3. What do you mean by dependent branches?
- 4. What is Hire Purchase system?
- 5. What are Departmental Accounts?
- 6. What is self balancing ledger?
- 7. A company purchased a plant for Rs.50,000. The useful life of the plant is 10 years and the residual value is Rs.10,000. Find out the rate of depreciation under the straight line method.
- Find out profit from the following data: Capital at the beginning of the year Rs. 8,00,000 Drawings during the year Rs.1,80,000 Capital at the end of the year Rs. 9,00,000 Capital introduced during the year Rs. 50,000.
- 9. From the following particulars, calculate closing branch debtors balance:
Branch Debtors (1-1-2017)Rs.6,300Credit SalesRs.39,000Cash received from debtorsRs.41,200

Dept. No.

10. What should be the basis of allocation for the following expenses under Departmental Accounts?a) Salaries b) Lighting c) Advertising d) Rent.

PART – B

(4*10=40)

- 11. What are the features of Dependent Branches?
- 12. Distinguish between Hire purchase system and Instalment system.
- 13. From the following particulars of Franklin Enterprises, you are required to prepare the Sales Ledger Adjustment Account and Bought Ledger Adjustment Account as on 31-1-2003:

Particulars	Rs.	Particulars	Rs.
Debtors (1-1-2003)	15,400	Discount allowed to debtors	500
Creditors (1-1-2003)	14,600	Interest debited to debtors	250
Credit Purchases	60,790	Allowance from creditors	350
Credit Sales	70,200	Bills Receivable received	10,270
Discount received from creditors	700	Bills payable accepted	9,750
Cash received from debtors	56,450	Bad debts	230
Cash paid to Creditors	45,740	Bills Receivable dishonoured	2,100
Return inward	2,300	Bills payable dishonoured	750
Return outward	3,100		

14. Fire occurred in the premises of Alpha & Beta Co. on 1st Sept. 2012 and stock of the value of Rs.1,01,000 was salvaged and business books and records were saved. The following information was obtained.

	Rs.
Purchases for the year ended 31.3.2012	7,00,000
Sales for the year ended 31.3.2012	11,00,000
Purchases from 1.4.2012 to 1.09.2012	2,40,000
Sales from 1.4.2012 to 1.09.2012	3,60,000
Stock on 1.4.2011	3,00,000
Stock on 31.3.2012	3,40,000

It is also given that the stock on 31.3.2012 was overvalued by Rs.20,000.

Calculate the amount of the claim to be processed to the Insurance Company irrespective of losses. Rate of Gross profit is to be based on the year ended 31.3.2012.

- 15. A second hand machine was purchased on 1-1-2010 for Rs.30,000 and repair charges amounted to Rs. 6,000. It was installed at a cost of Rs.4,000. On 1st July 2011, another machine was purchased for Rs.26,000. On 1st July 2012 the first machine was sold for Rs.30,000. On the same day, one more machine was bought for Rs.25,000. On 31-12-2012, the machine bought on 1st July 2011 was sold for Rs.23,000. Accounts are closed every year on 31st December. Depreciation is written off at 15% p.a. Prepare the machinery A/c for 3 years ending 31-12-2012.
- 16. From the following particulars relating to Hyderabad branch for the year ended

31.12.2010, prepare Branch A/c in the books of head office under debtors system.

	Rs.	Rs.
Stock at the branch on 1.1.2010		15,000
Debtors at the branch on 1.1.2010		30,000
Petty cash at the branch on 1.1.2010)	300
Goods sent to branch during 2010		2,52,000
Remittance from branch during 201	0:	
Cash sales	60,000	
Received from debtors	2,10,000	2,70,000
Credit sales during 2010		2,28,000
Cheques sent to branch during 2010)	
Salary	9,000	
Rent	1,500	
Petty cash	<u>1,100</u>	11,600
Stock at the branch 31.12.2010		25,000
Petty cash 31.12.2010		200
Goods returned by the branch		2,000
Debtors at the branch 31.12.2010		48,000

17. A firm had two departments, cloth and readymade garments. The garments were made by the firm itself out of cloth supplied by the cloth department at its usual selling price. From the following figures, prepare Departmental trading and profit and loss account for the year ended 31-3-2004.

Cloth dept.	Readymade dept.		
Rs.	Rs.		
Opening stock of	n 1-4-2003	3,00,000	50,000
Purchases		20,00,000	15,000
Sales		22,00,000	4,50,000
Transfer to ready	made garments dept.	3,00,000	-
Expenses: - man	ufacturing	-	60,000
- selli	ng	20,000	6,000
Stock 31-3-2004		2,00,000	60,000

The stock in the readymade garments department may be considered as consisting of 75% cloth and 25% other expenses. The cloth department earned gross profit @ 15% in 2002-03. General expenses of the business as a whole came to Rs.1,10,000.

PART - C

Answer any TWO questions:

(2*20=40)

18. The following trial balance is extracted from the books of Kamalnath. Prepare Trading and Profit & Loss A/c and Balance Sheet for the year ended 31/12/2016.

Liabilities	Rs.	Assets	Rs.
Cash at bank	2,610	Creditors	4,700
Book debts	11,070	Discounts	150
Salaries	4,950	Creditors for expenses	400
Carriage inwards	1,450	Returns outwards	2,520
Carriage outwards	1,590	Sales	80,410
Bad debts	1,310	Capital	40,000
Office expenses	5,100		
Purchases	67,350		
Return inwards	1,590		
Furniture & Fixtures	1,500		
Stock	14,360		
Insurance	3,300		
Depreciation on Property	1,200		
Freehold Property	10,800		
	1,28,180		1,28,180

Adjustments:

- (a) Make provision for doubtful debts at 5%.
- (b) Calculate discount on creditors at 2%.
- (c) Office expenses include stationery purchased Rs.800.
- (d) Carriage inwards includes carriage paid on purchase of furniture Rs.50.
- (e) Outstanding salaries Rs.150.
- (f) Prepaid insurance Rs.300.
- (g) Stock in hand Rs.10,700 (including stationery stock Rs.200).

19. Mr. Joel commenced business on 1.1.2009 with a capital of Rs.25,000. He immediately bought furniture for Rs.4,000. During the year, he borrowed Rs.5,000 from his wife and introduced a further capital of Rs.3,000. He has withdrawn Rs.600 at the end of each month for family expenses. From the following particulars obtained from his books, you are required to prepare Trading and P & L A/c and Balance Sheet as on 31.12.2009.

Rs.

Sales (including cash sales of Rs.30,000)	1,00,000
Purchase (including cash purchases of Rs.10,000)	75,000
Carriage	700
Wages	300
Discount allowed to debtors	800
Salaries	6,200
Bad debts written off	1,500
Trade Expenses	1,200
Advertisement	2,200

Joel has used goods worth Rs.1,300 for private purposes and paid Rs.500 to his son which is not recorded anywhere. On 31.12.2009, his debtors, were worth Rs.21,000, Creditors Rs.15,000 and stock in trade Rs.10,000, Furniture to be depreciated at 10% p.a.

- 20. Knight purchased a truck for Rs.1,60,000 from S. Waugh on 1.1.2013 payment to be made Rs.40,000 down and Rs.46,000 at the end of first year, Rs.44,000 at the end of second year and Rs.42,000 at the end of third year. Interest was charged at 5%. Knight depreciates the truck at 10% per annum on written down value method. Knight, after having paid down payment and first instalment at the end of the first year, could not pay second instalment. The seller took possession of the truck, and after spending Rs.4,000 on repairs of the asset, sold it away for Rs.91,500. Prepare the necessary ledger accounts in the books of both the parties.
- 21. Explain the objects of preparing departmental accounts and how are the expenses allocated while preparing the Departmental Accounts?
