



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

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

FIRST SEMESTER – NOVEMBER 2017

**BC 1502 - FINANCIAL ACCOUNTING**

Date: 04-11-2017  
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

**PART A**

ANSWER ALL THE QUESTIONS

(10 X 2 =20)

1. Calculate gross profit and cost of goods sold from the following information:

Net Sales Rs. 2,00,000; Gross profit is 25% on cost.

2. On 1-1-91, X & Co. purchased machinery for Rs. 4,00,000. Depreciation is to be charged at 10% under Diminishibng Balance Method. On 31-12-91, half of this machinery was sold for Rs. 1.21,000. Show machinery a/c for the years 1991 and 1992.

3. Calculate Sales: Cost of goods sold Rs. 2,70,000; Rate of gross profit 25% on sales.

4. Compute Opening branch debtors balance from the following transactions:

Credit sales	Rs. 51,000
Received from debtors by the branch	Rs. 42,500
Branch debtors (Closing)	Rs. 7,700
Discount allowed to customers	Rs. 1,800

5. Ram purchased a truck under H.P.System on 1-4-89 for Rs. 5,00,000. He provided 20% depreciation under W.D.V. method. He had paid down payment and 1st annual instalment but failed to pay second annual instalment. The vendor has taken away the truck at Rs. 2,81,250. Compute the loss due to repossession assuming the accounts are closed on 31<sup>st</sup> march.

Define/What

6. Repossessed stock

7. Inter departmental transfors

8. Self balancing ledgers

9. Branch adjustment a/c

10. Direct expenses

**PART B**

ANSWER ANY FOUR:

(4 X 10 = 40)

11. Briefly explain various methods of providing for depreciation of fixed assets.

12. Distinguish between Hire Purchase and Instalment Purchase system.

13. A limited company purchased a plant for Rs. 10,000 on 1-1-91. On 1-7-91 an additional plant was bought costing Rs. 5,000. On 1-7-92, the plant bought on 1-1-91 was sold off for Rs. 4,000. On 1-7-93 a fresh plant was purchased for Rs. 12,000 and the plant bought on 1-7-91 was sold at rs. 4,200. Depreciation is provided at 10% p.a. on original cost on 31<sup>st</sup> December every year.

Draw up the plant account till the end of 31-12-93.

14. Manian Ltd., of Calcutta has a branch at Patna. Goods are invoiced to the Patna branch, the selling price being cost plus 25%.

The Patna branch keeps its own sales ledger and transmits all cash received to Calcutta. All expenses are paid from Calcutta. From the following details prepare the Patna branch a/c for the year 1989.

	Rs.
Stock (1.1.89) (invoice price)	1,250
Stock ( 31.12.89) (invoice price)	1,500
Debtors (1.1.89)	700
Debtors(31.12.89)	900
Cash sales for the year	5,400
Credit sales for the year	3,500
Goods invoiced from Calcutta	9,100
Rent	400
Wages	340
Sundry expenses	80

15. From the following particulars, prepare the Departmental Trading and Profit and Loss a/c for the year ending 31-12-97.

	Dept X (Rs.)	Dept Y (Rs.)
Stock (1.1.97)	9,000	8,400
Sales	42,000	36,000
Purchases	27,000	21,600
Direct expenses	5,490	8,520
Postage	360	360
Stock (31.12.97)	10,800	4,800

Indirect expenses for the entire business was rs. 3,900 which are to be divided in the proportion of sales of the two departments.

16. A fire was occurred in the Premises of X Ltd on 10.10.91. All stocks were destroyed except to the extent of Rs. 6,200. From the following figures, ascertain the loss of stock suffered by the company:

	Rs.
Stock 1.1.90	40,000
Purchases during 1990	1,25,000
Sales during 1990	2,00,000
Stock 31.12.90	25,000
Purchases during 1991 upto the date of fire	1,52,000
Sales during 1991 upto date of fire	1,89,000

17. Below are given particulars from the books of Shri Ram Patil, a trader for the month of March 1991:

March 1, 1991	Rs.
Opening balance	30,000
March 31, 1991	
Total sales for the month	90,000
Sales returns	500
Cash received from debtors	40,000
Bills receivable	15,000
Bills dishonoured	1,500
Discount allowed to debtors	400
Bad debts	350
Transfer from another ledger	750
Bills receivable endorsed to suppliers	1,200

Prepare Self balancing ledger.

PART C

ANSWER ANY TWO:

(2 x 20 =40)

18. Kumar purchased 2 Machines costing Rs. 80,000 each from Peter on 1-1-1994 on hire-purchase system. The terms were as follows:

Payment on delivery rs.20,000 for each machine, reminder in 3 equal instalments and also separately the interest at 10% p.a. to be paid at the end of each year.

Kumar writes-off 25% depreciation each year on the diminishing balance method. Kumar paid the instalments due on 31-12-1994 and 31-12-1995 but could not pay the final instalment.

Peter re-possessed one machine on 31-12-1996 adjusting its value against the amount due. The re-possession was done on the basis of 30% depreciation on the diminishing balance method, assuming that the balance, still lying due, will be paid off next year in 1997.

Write up ledger accounts in the books of Kumar and Peter.

19. A Bombay head office sent goods to Madras Branch at 25% profit over cost. From the following details, prepare the necessary ledger accounts in the books of head office under Stock and debtors system.

Particulars	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.

20. A trader commenced business as a cloth merchant on 1-4-84 with a capital of Rs. 20,000. On the same day he purchased furniture and fixtures for Rs. 4,000. From the following particulars obtained from his books which do not conform to strict double entry principles, you are required to prepare Trading and P & L a/c and Balance Sheet as on 31.3.85.

	Rs.
Sales (including cash sales Rs. 10,000)	25,000
Purchases (including cash purchases R.6,000)	20,000
Drawings	1,000
Salaries	2,400
Bad debts written off	200
Trade expenses	800

The trader has used cloth Rs. 600 for private purposes and gave Rs. 1,000 to his son which are not recorded anywhere. On 31-3-95 his debtors were worth Rs. 7,000 and creditors were Rs. 4,000. Stock on that date was valued at Rs. 8,000.

21. From the following TriAL Balance of Appu as on 31<sup>st</sup> march 1994, Prepare a Trading and Profit and Loss a/c for the year and a Balance sheet as on that date;

Debit Balances	Rs.	Credit balances	Rs.
Stock on 1-4-1993:		Sundry creditors	23,500
Raw materials	21,000	Bills Payable	7,500
Work-in-progress	9,500	Sale of scrap	2,500
Finished goods	15,500	Commission	450
Sundry debtors	24,000	Provision for doubtful	1,650
Carriage	1,500	Debts	
Bills receivable	15,000	Capital	1,00,000
Wages	13,000	Sales	1,67,200
Salaries	10,000		
Postage & telegram	1,000		
Repairs	1,100		
Purchases	85,000		
Cash at bank	17,000		
Plant and Machinery	70,000		
Furniture	10,000		
Rent	6,000		
Lighting	1,350		
General expenses	1,850		
	3,02,800		3,02,800

Adjustments:

1. Stock on 31<sup>st</sup> march 1994:  
Raw materials Rs. 16,200; work-in-progress Rs. 7,800; finished goods Rs. 18,100
2. Salaries and wages outstanding were Rs. 900 and Rs. 2,000
3. Machinery is to be depreciated by 10% and furniture by 7.5%
4. Office premises occupy  $\frac{1}{4}$  of total area. Lighting is to be charged as to  $\frac{2}{3}$ <sup>rd</sup> to factory and  $\frac{1}{3}$  to office.

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