



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

**B.Com.DEGREE EXAMINATION –COMMERCE**

**SECOND SEMESTER – APRIL 2018**

**C 219 – FINANCIAL ACCOUNTS**

Date: 02-05-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

**Part - A**

**Answer ALL the Questions**

**(10 \* 2 = 20 Marks)**

1. What is self-balancing ledger?
2. Define depreciation.
3. What is dependent branch?
4. Write a note on minimum rent.
5. What is sub-lease?
6. **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
7. **How the following will appear in income and expenditure account of sports club for the year 31/12/1999 and in the Balance Sheet on that date?**  
Stock of sports materials on 01/01/1999                      Rs. 800  
Stock of sports materials on 31/12/1999                      Rs. 1,200  
Purchase of sports materials during the year 1999        Rs. 5,000  
Sales of old sports materials during the year 1999        Rs. 300
8. **From the following particulars, calculate closing branch debtors balance:**  
Branch Debtors (01/01/1998)                                Rs. 6,300  
Credit Sales    Rs. 39,000  
Cash received from debtors                                    Rs. 41,200
9. What is debtors system?
10. **Apportion the following expenses on the basis of cost of goods sold ratio among the four departments A, B, C and D:**  
**Sales (Rs.):** A: 2,00,000; B: 1,50,000; C: 2,00,000; D: 50,000  
G.P. Ratio: 20% on sales  
Expenses: Salaries Rs. 6,000

**Part - B**

**Answer any FOUR Questions**

**4 \* 10 = 40 Marks)**

11. Differentiate Hire Purchase and Instalment System.
12. Explain the limitations of single entry system.
13. **Find out purchases and sales from the following details by making necessary accounts:**

Particulars	Rs.
Opening balance of debtors	30,000
Opening balance of creditors	10,000
Collection from debtors	1,60,000
Discount received	2,500
Bad debts	1,000
Payments to creditors	14,000

Discount allowed	1,500
Returns inwards	2,000
Returns outwards	3,000
Cash purchases	6,000
Cash sales	10,000
Closing balance of debtors	35,000
Closing balance of creditors	15,000

14. A Madras head office has a branch at Salem to which goods are invoiced at cost plus 20%. From the following particulars, prepare Branch Account in the head office books:

Particulars	Rs.
Goods sent to branch	2,11,872
Total sales	2,06,400
Cash sales	1,10,400
Cash received from Branch debtors	88,000
Branch debtors on 01/01/1996	24,000
Branch stock on 01/01/1996	7,680
Branch stock on 31/12/1996	13,440

15. Mr. X purchased on hire-purchase system. As per terms, he is required to pay Rs. 800 down; Rs. 400 at the end of the first year; Rs. 300 at the end of the second year and Rs. 700 at the end of the third year. Interest is chargeable at 5% p.a. Calculate the total cash price of the typewriter and the amount of interest payable on each instalment.

16. Prepare Receipts and Payments Account of a club for the year ended 31<sup>st</sup> December 1999 from the following particulars:

Particulars	Rs.
Opening balance of cash	40,000
Receipts of entrance fees	8,000
Subscription received for 1999	16,000
Previous year's subscription received	1,600
Paid salaries	2,000
Paid for miscellaneous expenses	200
Rent paid	1,200
Payment for purchase of cricket balls	500
Payment for purchase of cricket bats	1,600
Payment for stationery in cash	100

17. A fire occurred at the premises of a trader on 31/05/1994 destroying a greater part of his goods. His stock at 01/01/1994 was Rs. 60,000. The value of stock salvaged was Rs. 13,500. The gross profit on sales was 30% and sales amounted to Rs. 1,53,000 from January to date of fire, while for the same period the purchases amounted to Rs. 1,03,500. Prepare a statement of claim.

**Part - C**

**Answer any TWO Questions**

**(2 \* 20 = 40 Marks)**

18. Mr. Rama commenced business on 01/01/1989 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 Profit & Loss Account and Balance Sheet as on 31/12/1989.

Particulars	Rs.
Sales (including cash sales of Rs. 30,000)	1,00,000
Purchases (including cash purchases of Rs. 30,000)	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	1,200

Mr. Rama has used goods worth Rs. 1,300 for private purposes and paid Rs. 500 to his son which is not recorded anywhere. On 31/12/1989, his debtors were worth Rs. 21,000; Creditors: Rs. 15,000 and Stock-in-trade: Rs. 10,000. Furniture is to be depreciated at 10% p.a.

19. **Prepare Trading and Profit & Loss Account and Balance Sheet from the following Trial Balance of Mr. M. Mohan:**

Debit Balances	Rs.	Credit Balances	Rs.
Sundry Debtors	92,000	Madan's capital	70,000
Plant & Machinery	20,000	Purchase returns	2,600
Interest	430	Sales	2,50,000
Rents, Rates, Taxes & Insurance	5,600	Sundry Creditors	60,000
Conveyance charges	1,320	Bank overdraft	20,000
Wages	7,000		
Sales returns	5,400		
Purchases	1,50,000		
Opening stock	60,000		
Madan's drawings	22,000		

Trade expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Business premises	12,000		
Furniture & Fixtures	10,000		
Cash in hand	2,060		
<b>Total</b>	<b>4,02,600</b>	<b>Total</b>	<b>4,02,600</b>

**Adjustments:**

- i. Stock on hand on 31/12/1996 Rs. 90,000
- ii. Provide depreciation on premises at 2.5%; Plant & Machinery at 7.5% and Furniture & Fixtures at 10%.
- iii. Write-off Rs. 800 as further bad debts.
- iv. Provide for doubtful debts at 5% on sundry debtors.
- v. Outstanding rent was Rs. 500 and outstanding wages Rs. 400.
- vi. Prepaid insurance Rs. 300 and prepaid salaries Rs. 700.

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

Department A – 1,000 units  
 Department B – 2,000 units  
 Department C – 2,400 units

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

Stocks on 01<sup>st</sup> January were:

Department A – 120 units  
 Department B – 80 units  
 Department C – 152 units

Sales were:

Department A – 1,020 units at Rs. 20 each  
 Department B – 1,920 units at Rs. 22.50 each  
 Department C – 2,496 units at Rs. 25 each

The rate of gross profit is same in each case. Prepare Department Trading Account.

**21. On 01/01/1984 five stocks were purchased by Mr.A on hire purchase system. The cash price of each truck is Rs. 55,000. The payment was to be as follows:**

10% of cash price down

25% of cash price at the end of each of the 4 subsequent half years.

The payment due on 31/12/1984 could not be made and hence trucks were seized by the vendors. But after negotiations, Mr. A was allowed to keep three trucks on the condition that the value of the other two trucks could be adjusted against the amount due, the trucks being valued at cost less 25% depreciation. Mr. A's books are closed on 30<sup>th</sup> June each year and he charges 15% depreciation on trucks on the original cost.

The vendors spent Rs. 6,000 on getting the trucks thoroughly overhauled and sold them for Rs. 95,000. Show the various accounts in the books of both the parties.

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