

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – COMMERCE

FIRST SEMESTER – APRIL 2023

16/17/18UCO1MC01 – FINANCIAL ACCOUNTING

Date: 06-05-2023

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A

ANSWER ALL THE QUESTIONS

(10X2=20)

1. What is a Trial Balance?
2. What is Gross profit?
3. Define Depreciation.
4. Explain 'Average clause'.
5. Who is a Lessor?
6. What is Branch Accounting?
7. What is single entry system of Bookkeeping?
8. Journalise the following:
 - i.) Cash deposited into bank Rs.50,000
 - ii.) Purchased furniture Rs.10,000
9. Calculate Purchases from the given information
Cost of Goods sold – Rs.5,00,000
Opening Stock – Rs.80,000
Closing Stock – Rs. 90,000
10. Mr. John purchased machinery under Hire purchase. The cash price of the machinery was Rs.20,000. Mr.X has to pay down payment Rs.5,000 and next three instalments Rs.6,000 each. Calculate the total interest.

SECTION B

ANSWER ANY FOUR QUESTIONS

(4X10=40)

11. What are Departmental Accounts? What are the objectives of preparing such accounts?
12. Explain the main causes of providing depreciation. Why is depreciation provided for?
13. Bring out the meaning of Short working with an example.
14. A fire occurred in the premises of Mr.X on 15th August 2020. A large part of the stock was destroyed and Rs.7,500 was realised for the salvage. Information from 1st January, 2020 to 15th August 2020 is as follows:
 - i.) Purchases amounted to Rs.42,500
 - ii.) Sales amounted to Rs.45,000
 - iii.) Stock in hand on 1st January, 2020 was Rs.20,000 at cost price
 - iv.) Goods costing Rs.2,500 were taken by Mr.X for his personal use.The previous accounts reveal that the rate of gross profit was 33.33% on sale. The insurance policy was for Rs.25,000 and included an average clause. Prepare the statement of claim to be made on the Insurance Company.
15. From the following particulars relating to Hyderabad branch for the year ended 31/12/2020. Prepare Branch A/C in the Head office books.

Particulars	Rs.	Rs.
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Stock at the Branch on 01/01/2020		15,000
Debtors at the Branch on 01/01/2020		30,000
Petty cash at the Branch on 01/01/2020		300
Goods sent to Branch during 2020		2,52,000
Cash sales 2020		60,000
Received from Debtors 2020		2,10,000
Credit sales during 2020		2,28,000
Cheques sent to branch during 2020:		
Salaries	9,000	
Rent and Rates	1,500	
Petty cash	<u>1,100</u>	11,600
Stock at the branch on 31/12/2020		25,000
Petty cash 31/12/2020		200
Goods returned by the branch		2,000
Debtors on 31/12/2020		48,000

16. A company whose accounting year is the calendar year purchased on 1st April 2020 machinery costing Rs.30,000. It purchased further machinery on 1st October 2020 costing Rs.20,000 and on 1st July 2021 costing Rs.10,000. On 1st Jan 2022 one-third of the machinery installed on 1st April 2020 became obsolete and was sold for Rs.3,000. Show how the Machinery A/C would appear in the books of the company. Machinery is depreciated at 10% p.a under Straight Line method.
17. Mumbai coal Limited leased a Colliery on 1st January 2020 at a minimum rent of Rs.32,000, merging into a royalty of Re.1 per tonne, with a stipulation to recoup short workings over the first 3 years of the lease. The output over the 1st four years of the lease was 18,000, 28,000, 44,000 and 38,000 tonnes respectively. Draft the necessary Journal entries in the books of the company

SECTION C

ANSWER ANY TWO QUESTIONS

(2x20=40)

18. What is Single entry? What are its salient features?
19. Distinguish between Hire purchase system and Instalment purchase system.
20. From the following Trial Balance, prepare Trading and Profit and Loss Account for the year ended December 31st 2021 and a Balance sheet as on that date:

	Rs.		Rs.
Capital	1,19,400	Sales	3,56,430
Drawings	10,550	Commission Received	5,640
Bills Receivable	9,500	Discount allowed	5,870
Plant	28,800	Rent and Taxes	5,620
Wages	40,970	Stock (1/01/2021)	89,680
Salaries	11,000	Travelling expenses	1,880
Debtors	62,000	Insurance	400
Creditors	59,630	Cash	530
Bank (Debit Balance)	18,970	Repairs and Renewals	3,370
Loan (Cr.)	20,000	Bad Debts	3,620
Return Inwards	2,780	Fixture and Fittings	8,970
Purchases	2,56,590		

Additional Information:

- i.) Stock on 31/12/2021 Rs.1,00,000
- ii.) Make Provision for Doubtful debts at 5% on Debtors.
21. Following purchases were made by a business house having three departments:
- | | |
|--------------------------|-----------------------------|
| Department A 1,000 units | } at a total of Rs.1,00,000 |
| Department B 2,000 units | |
| Department C 2,400 units | |

Stocks on 1st January were:

Department A 120 units

Department B 80 units

Department C 152 units

The sales were:

Department A 1,020 units @ Rs.20.00 each

Department B 1,920 units @ Rs.22.50 each

Department C 2,496 units @ Rs.25.00 each

The rate of gross profit is the same in each case.

Prepare Departmental Trading A/C.

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