

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – COMMERCE

FIRST SEMESTER – APRIL 2023

CO 1500 – FINANCIAL ACCOUNTING

Date: 06-05-2023

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

PART - A

Answer ALL questions:

(10 X 2 = 20 MARKS)

1. What is meant by Accounting?
2. What do you mean by dual aspect concept?
3. What is meant by “Straight line method”?
4. Write down the journal entries of the sale of machinery is ₹15,000.
5. Find out the net profit:
Capital at the end ₹ 10,000, Drawings ₹5000, Additional capital introduced ₹ 2,000,
Capital in the beginning ₹ 3,000.
6. How do you allocate the Lighting and selling expenses in departmental accounts?
7. Calculate the credit sales: Opening debtors ₹ 10,000, Closing debtors ₹ 7,000, cash ₹ 5,000.
8. What is Dependent Branche?
9. Cash price paid ₹14,900, Interest paid ₹ 1,100, Calculate the instalment price. ₹16,000.
10. Write down the journal entries of bad debts. Mr Jute is the sundry debtors ₹ 50,000 and organization creates provision for doubtful debts is 10%.

PART- B

Answer any FOUR questions:

(4 X 10 = 40 MARKS)

11. Write the difference between branch accounts and departmental accounts?
12. What is meant by Single Entry System? What are its defects? Also enumerate its advantages, if any.
13. Distinguish between capital receipts and revenue receipts.
14. Write down the importance of International Financial Reporting Standards.
15. A machine purchased on 1st July 2012 at a cost of ₹14,000 and ₹1000 was spent on its installation. The depreciation is written off at % on the original cost every year. The books are closed on 31st December each year. The machine was sold for ₹9,500 on 31st March 2015. Show the machinery account for all the years.
16. From the following particulars relating to Mumbai branch for the year ended 31.12.2020, prepare branch A/c in the head office books:

Stock 1.1.2020		₹ 15,000
Debtors on 1.1.2020		₹ 30,000
Petty cash on 1.1.2020		₹ 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		
For salaries	₹ 9,000	
For Rent	₹ 1,500	
For petty cash	₹ 1,100	₹ 11,600
stock 31.12.2020		₹ 25,000
Debtors on 31.12.2020		₹ 48,000
Petty cash on 31.12.2020		₹ 200
Goods return by the branch		₹ 48,000

17. On 1.1.2021, Mr. Gobi purchased machinery on hire purchase system. The payment is to be made ₹ 4,000 down (on signing of the contract) and ₹ 4,000 annually for three years. The cash price of the machinery is ₹ 14,900 and the rate of interest is ₹ 5%. Calculate the interest in each year's instalment.

PART - C

Answer any TWO Questions:

(2X20=40 MARKS)

18. From the following particulars, prepare the departmental trading and profit and loss A/c for the year ending 30.12.2022.

	Dept. A	Dept. B
stock (1.1.2022)	9,000	8,400
Sales	42,000	36,000
Purchase	27,000	21,600
Direct expenses	5,490	8,520
Prostate	360	360
Stock (31.12.2022)	10,800	4,800

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

19. Write the difference between Hire purchase and installment system

20. The following Trial Balance of Mr. Mani as at December 31,2022 is given to you:

Debit Balances	₹	Credit Balances	₹
Stock on 1.1.22	60,000	Sundry Creditors	60,000
Furniture	10,000	Bank OD	20,000
Cash in hand	2,060	Mani's Capital	70,000
Plant	20,000	Sales	2,50,000
Sundry Debtors	92,000	Returns outwards	2,600
Interest	430		
Rent	5,600		
Conveyance	1,320		
Wages	7,000		
Returns Inwards	5,400		
Purchase	1,50,000		
Drawings	22,000		
Business premises	12,000		
Trade expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
	4,02,600		4,02,600

Taking into account the following adjustments, prepare Trading and profit and loss account and Balance sheet as on that date:

- (a) Depreciate Furniture at 10%; Plant at 7.5%; Premises at 2.5 %
- (b) Write off ₹. 800 as further bad debts.
- (c) Provide for doubtful debts at 5% on sundry debtors.
- (d) Outstanding rent was ₹ 500 and outstanding wages ₹ 400
- (e) Prepaid insurance ₹ 300 and prepaid salaries ₹ 700
- (f) Stock on hand on 31.12.2022 ₹ 90,000.

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

Dept. X – 1,000 units, Dept. Y – 2,000 units, Dept. Z – 2,400 units. All the three department have at a total cost of ₹ 1,00,000.

Stocks on 1st January were:

Dept. X – 120 units, Dept. Y – 80 units, Dept. Z – 152 units.

Sales were:

Dept. X – 1020 units at ₹ 20 each, Dept. Y – 1920 units at ₹ 22.50 each, Dept. Z – 2496 units at ₹ 25 each.

The rate of gross profit is same in each case. Prepare Departmental trading account.

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