

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034****B.Com. DEGREE EXAMINATION – COMMERCE****FIRST SEMESTER – NOVEMBER 2023****UCO 1501 – FINANCIAL ACCOUNTING**

Date: 01-11-2023

Dept. No. 

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

**SECTION A - K1 (CO1)****Answer ALL the Questions****(10 x 1 = 10)****1. Fill in the blanks:**

- a) Amount of owner's investment in a business organization is known as \_\_\_\_\_
- b) A \_\_\_\_\_ account is the summary of cash transactions of a non-trading concern
- c) Goodwill is an \_\_\_\_\_ asset.
- d) The goods are supplied to the dependent branch at cost or \_\_\_\_\_ price.
- e) The account current method widely used in banks for interest calculation is \_\_\_\_\_

**2. True or False:**

- a) Business entity concept refers to the practice of treating business as different from its owners.
- b) Capital expenses and capital receipts are recorded in income and expenditure account.
- c) In the absence of a partnership deed, 10% is the interest payable on the amount of the drawings of the partners.
- d) All expenses of an independent branch are paid by head office.
- e) In term bills, the number of grace days allowed are seven days

**SECTION A - K2 (CO1)****Answer ALL the Questions****(10 x 1 = 10)****3. Answer the following:**

- a) What are drawings?
- b) What is honorarium?
- c) What is capital ratio at the time of dissolution of partnership firm?
- d) What is a foreign branch?
- e) What is red-ink interest ?

**4. Answer the following :**

- a) What is an invoice?
- b) What is endowment fund?
- c) Write a note on compulsory dissolution of a partnership.
- d) What is departmental accounting?
- e) What is average due date?

**SECTION B - K3 (CO2)****Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

5. Discuss the nature of accounting standards.
6. How will the following particulars will appear in the final accounts of Chennai Sports Cricket Club for the year ending March,31 2019?

	Rs.
Stock of sports material on 1.1.2019	30,000
Sports material purchased during 2019	85,000
Sale of old sports material during 2019	1,000
Stock of sports material on 31.12.2019	6,000

7.	A and B are partners. From the following details, prepare their capital accounts assuming that they are fluctuating:	A (Rs.)	B (Rs.)
	Capital as on 01.01.2021	40,000	30,000
	Drawings during 2021	5,000	3,000
	Interest on capitals	5%	5%
	Interest on drawings	125	75
	Share of profit for 2021	6,000	5,000
	Partner's salaries	3,600	-
	Commission	500	300

8.	Pass journal entries in the books of head office for the following transactions, under the debtors system: (i) Goods sent to branch at cost Rs. 25,000 (ii) Remittance received from branch Rs. 35,000 (iii) Profit earned by the branch Rs. 4,000
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**SECTION C – K4 (CO3)**

**Answer any TWO of the following in 100 words each. (2 x 10 = 20)**

9.	How the following items will appear in the final accounts of a trader for the year ending 31st March, 2021?  Extracts of the trial balance of the trader as at 31st March 2021
	Debit (Rs.)                      Credit (Rs.)
	Sundry debtors                      1,02,000
	Provision for doubtful debts                      6,000
	Bad debts                      1,000
	Adjustments required for:
	1. Further bad debts Rs.2,000
	2. A provision for doubtful debts at 2% debtors.

10.	Distinguish between 'receipts and payments account' and 'income and expenditure account'.
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11.	Explain the methods of adjusting goodwill at the time of retirement of a partner.
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12.	From the following details, compute the Gross Profit of the branch under the stock and Debtors system.
	Rs.
	Goods received from the H.O. at invoice price                      60,000
	Returns to head office at invoice price                      1,200
	Branch stock on 01.04.2020 at invoice price                      6,000
	Branch Stock at invoice price on 31.03.2021                      12,000
	Surplus Stock (found in Branch Stock A/c)                      2,400
	Goods are invoiced to the branch at cost plus 25%.

**SECTION D – K5 (CO4)**

**Answer any ONE of the following in 250 words (1 x 20 = 20)**

13.	From the following trial balance of Mr. Sabapathy, prepare trading and profit and loss account for the year ending December 31, 2019 and a balance sheet as on that date:																																				
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Debit (Rs.)</th> <th style="text-align: center;">Credit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td></td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>Sales</td> <td></td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">15,000</td> <td></td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">2,000</td> <td></td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">1,500</td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">300</td> <td></td> </tr> <tr> <td>Drawings</td> <td style="text-align: right;">5,000</td> <td></td> </tr> <tr> <td>Machinery</td> <td style="text-align: right;">28,000</td> <td></td> </tr> <tr> <td>Bank Balance</td> <td style="text-align: right;">4,500</td> <td></td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">2,000</td> <td></td> </tr> <tr> <td>Stock (01/01/2019)</td> <td style="text-align: right;">5,200</td> <td></td> </tr> </tbody> </table>	Particulars	Debit (Rs.)	Credit (Rs.)	Capital		40,000	Sales		25,000	Purchases	15,000		Salaries	2,000		Rent	1,500		Insurance	300		Drawings	5,000		Machinery	28,000		Bank Balance	4,500		Cash	2,000		Stock (01/01/2019)	5,200	
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