



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

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

**FIRST SEMESTER – APRIL 2022**

**16/17/18UCO1MC01 – FINANCIAL ACCOUNTING**

Date: 23-06-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

**PART – A**

**Q. No Answer ALL questions**

**(10 x 2 = 10 Marks)**

- 1 What is meant by Final Accounts?
- 2 What is Depreciation?
- 3 What is single entry?
- 4 Bharathi started his business on January 1, 2021 with a capital of Rs.50,000. His capital as on December 31, 2021 was Rs.60,000. During the year, he introduced a further capital of Rs.5,000 and withdrew from the business for his private use Rs.8,000. Find out his profit for the year 2021.
- 5 What are departmental accounts?
- 6 State any TWO objectives of branch accounts.
- 7 What is meant by Cash price?
- 8 What is Hire purchase system?
- 9 What is Average Clause?
- 10 What is meant by Royalty?

**PART – B**

**Answer any FOUR questions**

**(4 x 10 = 40 Marks)**

- 11 Ram. Ltd purchased a machine on 1<sup>st</sup> January 2020 for Rs.50,000. On 1<sup>st</sup> July 2020 further machinery was purchased for Rs.25,000. On 1<sup>st</sup> July 2021, the machinery purchased on 1<sup>st</sup> January 2021 having become obsolete, was sold off for Rs. 20,000. Depreciation has to be charged at 20% on the original cost assuming that the accounts are closed every year on 31<sup>st</sup> December. You are required to prepare machinery account.
- 12 Distinguish between single entry system and double entry system.

13 From the following particulars find out net credit purchases:

Particulars	Rs.
Opening balance of sundry creditors	40,000
Payment by cheques	2,35,000
Payment by bills payable	25,000
Payment in cash	5,000
Discount received	2,500
Purchase returns	5,000
Closing balance of sundry creditors	47,500

14 Trading and P & L account of Janaki Radio and Gramophone Equipment Co for the six months ended 31.3.2013 is presented to you in the following form.

	Rs.		Rs
Purchases: Radios (A)	1,40,700	Sales : Radios (A)	1,50,000
Gramophones(B)	90,600	Gramophones (B)	1,00,000
Spare parts (C)	64,400	Spare parts (C)	25,000
Salaries and wages	48,000	Stock as on 31.3.2013	
Rent	10,800	Radios (A)	60,100
Sundry expenses	11,000	Gramophones(B)	20,300
Profit	34,500	Spare parts (C)	44,600
	<b>4,00,000</b>		<b>4,00,000</b>

Prepare departmental accounts for each of the three departments, A, B, and C mentioned above after taking into account the following.

- Radios and Gramophones are sold at the show room and spare parts at workshop.
- Salaries and wages comprise as follows. Show room  $\frac{3}{4}$  and work shop  $\frac{1}{4}$ . It was decided to allocate the show room salaries and wages in the ratio of 1:2 between the departments A and B.
- The work shop rent is Rs. 500 per month. The rent of show room is to be divided equally between the departments A and B.
- Sundry expenses are to be allocated based on the turnover of each department.

15 Enumerate the features of Dependent Branches?

16 On 1st April 2014, Sandeep purchased a machine from Ashok on hire purchase basis. The particulars are as follows:

- Cash price of machine Rs. 20,000
- Cash down payment Rs. 8,000
- Balance in three annual instalment of Rs. 4,000 each plus interest.

- d) Interest to be charged on outstanding balance at 5% p.a.  
 e) Depreciation at 10% on reducing balance method.

Prepare Ledger accounts in the books of Sandeep.

- 17 A fire occurred at the premises of a trader on 30.5.2021, destroying a great part of his goods. His stock on 1.1.2021 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. 1,03,50. Prepare a Statement of claim.

### PART – C

Answer any TWO question

(2 x 20 = 40 Marks)

- 18 Prepare a Trading and Profit and Loss account for the year ending 31<sup>st</sup> March, 2019 and a Balance Sheet as on that date from the following balances:

	Rs.		Rs.
Capital	52,000	Sundry Debtors	31,000
Sales	1,01,000	Purchases	72,000
Purchases Returns	1,900	Rent	560
Opening Stock	22,000	Carriage Inwards	390
Furniture and Fittings	5,500	Bad Debts	160
Sundry Creditors	6,000	Postage and Telegrams	210
Investments	16,700	Traveling Expenses	550
Salaries	1,800	Cash at Bank	3,270
Sales Returns	5,200	Wages	1,300
Printing and Stationery	240	Insurance	220

**Adjustments:**

- (a) Salaries outstanding Rs.150  
 (b) The closing stock was Rs.18,500  
 (c) Insurance was prepaid Rs.30  
 (d) Charge 10% depreciation on furniture.
- 19 Mr. Joel commenced business on 1.1.2021 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 P & L A/c and Balance Sheet as on 31.12.2021.

	Rs.
Sales (including cash sales of Rs.30,000)	1,00,000
Purchases (including cash purchases of Rs.10,000)	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	2,200

Joel has used goods worth Rs.1,300 for private purposes and paid Rs.500 to his son which is not recorded anywhere. On 31.12.2021, his debtors, were worth Rs.21,000, Creditors Rs.15,000 and stock in trade Rs.10,000, Furniture to be depreciated at 10% p.a.

- 20 A head office in Chennai has a branch in Delhi to which goods are invoiced by the head office at cost plus 25%. All cash received by the branch is daily remitted to Head office. From the following particulars, show how the branch account will appear in the H.O books. Entries are to be made at invoice price.

Particulars	Amount (₹)
Stock on Jan 1, 2019 (at invoice price)	62,500
Debtors on Jan 1, 2019	60,000
Goods supplied by the H.O (at invoice price)	200,000
Cash sales	80,000
Cash received from customers	1,47,500
Goods returned to the Head office (at invoice price)	12,000
<b><u>Cheques received from the H.O</u></b>	
Wages and salaries	55,000
Rent and rates	15,000
Sundry expenses	2,550
Stock on 31st Dec 2019 (at invoice price)	75,000
Debtors on 31st Dec 2019	1,12,500
Liability for petty expenses	550

- 21 Distinguish between Hire purchase and instalment system.

\*\*\*\*\*