LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



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

FIRST SEMESTER – **APRIL 2022**

UCO 1501 - FINANCIAL ACCOUNTING (21 BATCH ONLY)

| Date: 15-06-2022 | Dept. No. | Max. : 100 Marks |
|-----------------------|-----------|------------------|
| Time: 09:00 AM - 12:0 | O NOON | ı |

| | | Sl | ECTION A | | | |
|-----|--|----------------------------|---------------------------|------------------|----------------|--------|
| Ans | swer ALL the Questions | | | | | |
| 1. | Explain the following | | | | | |
| a) | Balance Sheet | nce Sheet | | | | CO1 |
| b) | Partnership | | | | K1 | CO1 |
| c) | Red Ink Interest | | | | K1 | CO1 |
| d) | Dependent Branches | | | | K1 | CO1 |
| e) | Hire Purchase | | | | K1 | CO1 |
| 2. | Fill in the blanks | | | | (5 x 1 | = 5) |
| a) | A Goodwill is an | | | | K1 | CO1 |
| b) | Branch Account is | in nature | and is prepared in the He | ad office books. | K1 | CO1 |
| c) | Department Accounts are pre- | pared to kno | w separately the | of each deputed. | K1 | CO1 |
| d) | Under Hire purchase system, the agreement can be anytime. | | | | | |
| e) | On Revaluation, the increase in Liabilities leads to | | | | | |
| 3. | Match the following | | | | (5 x 1 | 1 = 5) |
| a) | Wages _ Hire Charges | | | | | CO1 |
| b) | Lighting _ | Lighting _ Direct Expenses | | | | |
| c) | Instalment _ Light Points | | | | | CO1 |
| d) | Revaluation A/C _ Accumulated Fund | | | | | CO1 |
| e) | Capital Fund _ | Capital Fund _ Nominal A/C | | | | |
| 4. | True or False | | | | (5×1) | 1=5) |
| a) | a) Trading Account is prepared on the basis of indirect expenses. | | | | | |
| b) | Under Debtors System, Branch Account discloses Profit or Loss of the Branch. | | | | | |
| c) | There is no difference between Hire Purchase and Instalment Purchase system. | | | | | |
| d) | While counting the number of days from Base date for each transaction, the Base date | | | | K2 | CO1 |
| | itself should be omitted. | | | | | |
| e) | The Accounting standards are mandatory for Companies. | | | | | CO1 |
| | | S | ECTION B | | | |
| Ans | swer any TWO of the followin | ng in 100 wo | rds | (2 x | 10 = 2 | 0) |
| 5. | Explain in detail the difference between Hire Purchase and Instalment system. | | | | К3 | CO2 |
| 6. | 1 1 | | | | К3 | CO2 |
| 7. | | | | | К3 | CO2 |
| | the year ended 31st December | r, 2021. | | | | |
| | Re | eceipts and P | ayments Account | | | |
| | | Rs. | | Rs. | | |
| | To Balance b/d | 300 | By Rent | 5,200 | | |
| | To Entrance Fees | 550 | By Stationery Expenses | | | |

| | | | | | | 2.07 |) | | |
|--|-----------------------------|----------|--------------|---------------------------------------|---------|------------|-------|--------|-----|
| T. C. | 1 | | | D. W. | | 3,068 | | | |
| l lo Su | bscriptions | | 200 | By Wages | | 5,330 |) | | |
| | 2020 2021 | 1 | 200 | | | | | | |
| | 2021 | 1 | 6,900 300 | | | | | | |
| To Lo | ckers Rent | | 500 | By Billiard Table | | 3,900 |) | | |
| | ecial Subscriptions | | 300 | By Repairs | | 806 | | | |
| | overnor's Party | | | by Repairs | | 800 | , | | |
| 101 00 | overnor s rarry | | 3,450 | | | | | | |
| | | | 3,730 | By Interest | | 1,500 |) | | |
| | | | | By micrest | | 1,500 | , | | |
| | | | | By Balance c/d | | 2,396 | 5 | | |
| | | | 2,200 | | | 22,200 |) | | |
| Locker | s rent Rs.60 pertained | 1 to 202 | 20 and 1 | Rs.90 is still owing. Re | ent Rs. | 1,300 | | | |
| pertaine | ed to 2020 and Rs.1,3 | 300 is s | till due | . Stationery expenses l | Rs.312 | relating | to | | |
| 2020 ar | nd Rs.364 is still owin | ng. Sub | oscriptio | ons unpaid for 2021 R | s.468. | | | | |
| 8. A Head | d office in Chennai s | ends g | goods to | o its branch at Madura | ai marl | ked 20% | above | К3 | CO2 |
| | | _ | • | w how the Branch Ac | | | | | |
| | ks of Head office. | | , | | | 171 | | | |
| | Particulars | | Rs | Particulars | | Rs |] | | |
| | 1 ar ticular s | | 13 | 1 articulars | | IXS | | | |
| | Stock on 1-7-2020 a | it the | 1,800 | Cheques sent to bra | | | | | |
| | branch | | | <i>J</i> | 900 | | | | |
| | | | | Rent and Taxes 1: | | | | | |
| | | | | Petty cash 1 | 10 | | | | |
| | | | | | | 1,160 | | | |
| | Debtors on 1-7-202 | 20 at | 3,000 | Stock at branch o | n 31- | 3,000 | | | |
| | branch | 20 41 | 3,000 | 12-2020 | 11 31 | 3,000 | | | |
| | Petty cash on 1-7-20 | 20 at | 30 | Debtors at 31-12-2020 | | 9,800 | | | |
| | the branch | | | at branch | | | | | |
| | Goods supplied to be | anch | 30,000 | • | 31-12- | 200 | | | |
| | | | | 2020 at the branch | | | | | |
| | Remittances from br | | | | | | | | |
| | | 6000 | | | | | | | |
| | Money received | 1. | | | | | | | |
| | | btors | 27.000 | | | | | | |
| | 21000 | | 27,000 | <u>u</u> | | | | | |
| | | | | ECTION C | | | | | |
| | TWO of the followi | | | | | | (2 x | 10 = 2 | , |
| 9. What a | re the objectives of B | ranch a | account | ting? | | | | K4 | CO3 |
| 10. A Com | pany has two Departi | ments A | A and E | 3. A Department suppl | ies the | goods to | В | K4 | CO3 |
| Departi | ment. From the follow | ving pı | epare I | Departmental Trading A | Accour | nt for the | year | | |
| 2021. | | 0 1 | - | | | | - | | |
| | | | | A | F | 3 | | | |
| | | | | (Rs.) | | | | | |
| Openi | ng Stock | | | 30,000 | (11) | (Rs.) | | | |
| | pening Stock | | | · · · · · · · · · · · · · · · · · · · | | - | | | |
| | Purchases | | 2,10,000 | , | - | | | | |
| | Transfer to B | | 50,000 | | 50,000 | | | | |
| Sales | | | | 2,00,000 | | 50,000 | | | |
| | Closing stock 40,000 10,000 | | | | | | | | |
| 11. Malan purchased a machine on Hire purchase system on 01/01/2021. The terms of K4 CO3 | | | | | | | | | |
| • | | | | | | | | I. | |

| char Sho defa repo | ment are four annual instalments of Rs.12,690 at the reged @ 5% and is included in the annual payment of w Machinery Account and Hire Vendor Account aulted in the payment of third yearly instalmossessed the machinery. Malan provides depreciation because believe the believe that the payment of the payment | f Rs.12,690. t in the books ent where up | of Malan voon the ver | who ndor | | | | | |
|---|---|--|-----------------------|---------------------|-----|--|--|--|--|
| 12. The | | | | | | | | | |
| | to either party assuming that the year of transaction is a leap year. | | | | | | | | |
| | SECTION D | | | | | | | | |
| | any ONE of the following in 250 words | | | $(1 \times 20 = 1)$ | , | | | | |
| | lain in detail the Accounting Standards and its bene | | | K5 | CO4 | | | | |
| | m the following prepare Trading and Profit and Los | | he year ende | ed K5 | CO4 | | | | |
| $\begin{vmatrix} 31^{31} \end{vmatrix}$ | March 2022 and Balance Sheet as on that date of M | Irs.Reena. Dr. | Cr. | | | | | | |
| | | (Rs) | (Rs.) | | | | | | |
| Sto | ock on April 1,2021 | 60,500 | (143.) | | | | | | |
| | rchases & Sales | 90,300 | 1,37,200 | | | | | | |
| | turns | 2,200 | 1,300 | | | | | | |
| Ca | pital Account | - | 30,000 | | | | | | |
| Dr | awings Account | 4,500 | | | | | | | |
| La | nd & Buildings | 30,000 | | | | | | | |
| Fu | rniture & Fittings | 8,000 | | | | | | | |
| Su | ndry Debtors & Creditors | 25,000 | 45,000 | | | | | | |
| Ca | sh in Hand | 3,500 | | | | | | | |
| Inv | vestments | 10,000 | | | | | | | |
| | erest | - | 500 | | | | | | |
| | ommission | - | 3,000 | | | | | | |
| | rect Expenditure | 7,500 2,500 | | | | | | | |
| | Postage, Stationery & Phones | | | | | | | | |
| | Fire Insurance Premium | | | | | | | | |
| | laries | 11,000 | 40.000 | | | | | | |
| Ba | nk Overdraft | 2 57 000 | 40,000 | | | | | | |
| | 2,57,000 2,57,000 2 | | | | | | | | |
| | i.) Closing stock on 31 st March 2022 was valued at Rs.65,000. Goods worth | | | | | | | | |
| | Rs.500 are reported to have been taken away by the proprietor for his | | | | | | | | |
| | personal use at home during 2021-22. ii.) Interest on Investments Rs.500 is yet to be received while Rs.1,000 of the | | | | | | | | |
| | commission received is yet to be earned in 2021-22. | | | | | | | | |
| | iii.) Rs.500 of the Fire Insurance premium paid is in respect of the quarter ending 30 th June, 2021. | | | | | | | | |
| | iv.) Salaries Rs.1,000 for March 2021 and Bank Overdraft interest estimated at | | | | | | | | |
| | Rs.2,000 have to be recorded as outstanding | charges. | | | | | | | |

Depreciation is to be provided on Land & Buildings at 5% and on v.) Furniture and Fitting at 10%. Make Provision for doubtful debts at 5% on Sundry Debtors. vi.) Rs.10,000 claim against Mrs Reena not acknowledged debt as yet vii.) **SECTION E** Answer any ONE of the following in 250 words $(1 \times 20 = 20)$ CO5 John Industries, Mumbai has a branch at Madurai to which goods are invoiced at cost plus 25%. The branch makes sales both for cash and on credit. Branch expenses are paid direct from Head Office and the Branch remits all cash to Head Office. From the following details, prepare the necessary Ledger accounts in Head office books to calculate branch profits as per the Stock and Debtors system. Rs. Goods received from H.O at invoice price 60,000 Returns to H.O at invoice price 1,200 Branch Stock on April 1, 2020 at invoice price 6,000 Cash sales 20,000 Credit sales 36,000 Branch debtors on April 1, 2020 7,200 Cash collected from Debtors 32,000 Discount allowed to Debtors 600 Bad debts in the year 400 Goods returned by Debtors to Branch 800 Rent, rates and taxes at Branch 1,800 Branch office expenses 600 Branch stock at invoice price on March 31, 2021 12,000 A, B and C are partners in a business, sharing profits and losses in the ratio 3:2:1. K6 CO5 16. Their Balance Sheet on 30th June,2021 was as follows: Liabilities Rs. Rs. Assets Sundry Creditors 1,600 Cash in Hand 600 Reserve Fund 6,000 Cash at Bank 1,000 9,000 Capitals: **Sundry Debtors** Stock in Hand 7,000 A 10,000 В 6,000 10,000 Machinery C 10,000 14,000 **Factory Building** 37,600 37,600 On that date C retires from Business. It is agreed to adjust the values of assets as follows: To Make a provision of 5% on Sundry debtors for doubtful debts. i.) ii.) To Depreciate Stock by 5% and Machinery by 10% iii.) Factory buildings to be revalued at Rs.15,100 Show the Revaluation Account and the Partners Capital Accounts and

Prepare the Balance Sheet of the Continuing partners as on July1, 2021.