

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIRST SEMESTER – NOVEMBER 2019

BU 1502 – FINANCIAL ACCOUNTING

Date: 30-10-2019

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART – A

Answer ALL the questions:

(10 x 2 = 20)

1. What is Gross profit?
2. When do you prepare a 'Manufacturing Account'?
3. Define Depreciation.
4. From the following details, prepare departmental trading accounts.

	Department A	Department B
Opening stock	9000	8400
Total purchases	27000	21600
Total sales	42000	36000
Closing stock	10800	4800
Credit purchases	17000	10600
Credit sales	5000	6000

5. Define Single entry.
6. What is net-worth method?
7. What is 'Repossed stock'?
8. Calculate the profit earned during the period: Capital as on 31stDec – Rs.28,600, Capital as on 1st Jan- Rs.25,000, Proprietors withdrawals for personal use – Rs.7,200, Additional capital introduced during the year – Rs.4,000.
9. What do you mean by Closing Stock?
10. Prepare Trading A/c.

Particulars	Rs.
Opening Stock	1,00,000/-
Purchases	5,60,000/-
Freight	40,000/-
Closing Stock	1,20,000/-
Sales	7,60,000/-
Carriage outwards	20,000/-

PART – B

Answer any FOUR questions:

(4 X 10 = 40)

11. List out the differences between Single Entry and Double Entry System?
12. Explain - “Departmental accounting are useful for business”.
13. A Manufacturing concern whose books are closed on 31st March, Purchased Machinery for Rs.1,50,000 on 1st April,1998. Additional Machinery was acquired for Rs.40,000 on 30th September,1999 and for Rs.25,000 on 1st April, 2001. Certain Machinery, which was purchased for Rs.40,000 on 30th September, 1999 was sold for Rs.34,000 on 30th September,2001. Give the Machinery Account for the year ending 31st March 2002 taking into account depreciation at 10% per annum on Written down value.
14. The System of self balancing control is employed by Kumar in relation to Debtors.

Prepare General Ledger adjustment a/c in the sales ledger with the help of the following information:

	Rs.		Rs.
Opening Balance Dr	36,000	Allowances to customers	750
Opening Balance Cr	1,500	Credit Sales	70,500
B/R dishonoured	3,000	Discount allowed	2,250
Bad Debts written off	4,500	Bad Debts written off	1,500
		(previously now recovered)	
Returns Inward	5,250	Discount disallowed	80
		(previously allowed)	
Closing credit balance	500		
Cash Received from	52,500		
Debtors			
B/R received	12,750		

A credit balance of Rs.7,500/- in purchase ledger is to be transferred to the sales ledger and a debit balance of Rs.2,000/- into sales ledger is to be transferred to purchase ledger on account of settlement of accounts.

15. Explain briefly the need for providing Depreciation.
16. The sundry debtors on 31st Dec, 95 are Rs.40,000. On analysis, it is found that debtors for Rs.36,000 are good. The debtors for Rs.3,000 are doubtful and are estimated to realize 2/3rds of the amount and the debtors for Rs.1,000 are bad. Make a provision for doubtful debts and show how it appears in the balance sheet.

17. A fire occurred in the godown of a factory on 02.04.1999 and destroyed the stocks. From the following particulars calculate the amount to be received from the insurance company.

	Rs.
Stock on 01.01.1999	2,00,000/-
Purchases upto date of fire	10,50,000/-
Wages	1,85,000/-
Manufacturing expenses	1,15,000/-
Sales upto the date of fire	15,00,000/-

PART – C

Answer any TWO questions:

(2 X 20 = 40)

18. Describe the 'Internal' and 'External' users of Accounting Information and their requirements.

19. The Calcutta Commercial Company invoiced goods to its Jamshedpur Branch at cost. The head office paid all the branch expenses from its bank except petty cash expenses which were paid by the branch. From the following details relating to the branch, prepare,

- Branch stock a/c
- Branch debtors a/c
- Branch expenses a/c
- Branch P& L a/c.

Particulars	Rs.	Particulars	Rs.
Stock (opening)	21,000	Discount to customers	4,200
Debtors (opening)	37,800	Bad debts	1,800
Petty cash (opening)	600	Goods returned by customers to branch	1,500
Goods sent from H.O	78,000	Salaries and wages	18,600
Goods returned to H.O	3,000	Rent and rates	3,600
Cash sales	52,500	Debtors (closing)	29,400
Advertisement	2,400	Petty cash (closing)	300
Cash received from debtors	85,500	Credit sales	85,200
Stock (closing)	19,500		
Allowances to customers	600		

20. The following Trial Balance has been extracted from the books of Mr. Bhaskar on 31.03.2013. Trial Balance

Particulars	Debit (Rs.)	Credit (Rs.)
Machinery	40,000	
Cash at Bank	10,000	
Cash in Hand	5,000	
Wages	10,000	
Purchases	80,000	
Stock (01.04.2002)	60,000	
Sundry debtors	40,000	
Bills Receivable	29,000	
Rent	4,000	
Interest on Bank Loan	500	
Commission received		3,000
General Expenses	12,000	
Salaries	7,500	
Discount received		4,000
Capital		90,000
Sales		1,20,000
Bank Loan		40,000
Sundry Creditors		40,000
Purchase returns		5,000
Sales returns	4,000	
	3,02,000	3,02,000

Adjustments:

1. Closing Stock Rs.80,000
2. Interest on Bank loan not yet paid Rs.400
3. Commission received in advance Rs.1,000

Prepare Trading and Profit and loss Account for the year ended 31.03.2013 and Balance Sheet as on that date after giving effect to the above adjustments.

21. X Ltd had a branch at Jaipur to which goods are invoiced at cost plus 50%. Branch remits all cash received to the Head Office and all expenses are met by the Head Office. From the following data ascertain the profit made at the Jaipur Branch for the year ended 31/12/2013 by preparing necessary accounts under 'Stock and Debtors system'.

Stock on January 1, 2012 – Rs.9300
 Debtors on January 1, 2012 – Rs.6800
 Goods sent to branch at invoice price – Rs.51000
 Cash sales at branch – Rs.25010
 Credit sales at branch – Rs.31000
 Cash collected from debtors – Rs.30400
 Goods returned by branch to HO at invoice price – Rs.1200
 Goods transferred from Lucknow branch to Jaipur branch – Rs.1500
 Stock shortage at branch at invoice price – Rs.450
 Discount allowed to customers – Rs.200
 Expenses at branch – Rs.5400
