

16U238

(Pages:4)

Name.....

Reg. No.....

**SECOND SEMESTER B.Com. DEGREE EXAMINATION, MAY-2017**

(Supplementary/Improvement)

(CUCBCSS-UG)

**CC15UBC2B02-FINANCIAL ACCOUNTING**

(Core Course B com)

(2015 Admission Onwards)

Time: Three Hours

Maximum: 80 marks

**Part A**Answer all questions. Each question carries 1 mark**I. Choose the correct answer**

- A business unit is assumed to have an indefinite life comes under
  - Going concern concept
  - Business entity concept
  - Money measurement concept
  - Dual concept
- Trial balance is
  - Account
  - Statement
  - Both (a) and (b)
  - None of these
- Wages paid before it has become due is shown in the balance sheet as
  - Current asset
  - Fixed asset
  - Current liability
  - Long term liability
- The revenue account prepared by non-profit organisation is called
  - Receipt and payment account
  - Profit and Loss account
  - Income and Expenditure account
  - Statement of Affairs
- Credit purchase can be ascertained as the balancing figure in
  - Total Debtor Account
  - Total Creditor Account
  - Statement of Affairs
  - Balance Sheet

**II. Fill in the Blanks**

- Under ----- system the buyer gets ownership of goods immediately.
- Building expense should be divided among different departments according to the \_\_\_\_\_ by each department
- Branch a/c under debtors system is a \_\_\_\_\_ a/c
- The two revenue departments of a hotel are \_\_\_\_\_ and \_\_\_\_\_
- The difference between H.P.Price and Cash Price is called \_\_\_\_\_ **(10x1=10 marks)**

**Part B**Answer any eight questions. Each question carries 2 marks

- What is a Dependent Branch?
- What is Inter Departmental Transfer?
- What is Down Payment?
- What is Statement of Affairs?
- What are Accounting Standards?
- Distinguish between Hotels and Restaurants?
- What is Legacy?
- What is a Suspense a/c?
- What is Capital Expenditure?
- What is Going Concern Concept? **(8x2=16 marks)**

**Part C**

*Answer any six questions. Each question carries 4 marks*

21. What are the differences between Hire Purchase and Instalment System?
22. What is Deferred Revenue Expenditure? Give example and briefly explain accounting treatment?
23. Explain any 3 Accounting Concepts?
24. Prepare Income and Expenditure for the year ended 31.12.2015.

The club has 100 members each paying an annual subscription of Rs.100. On 1.1.2015 Stock of Stationary Rs.75 and on 31.12.2015 Stock is valued at Rs.125. On 1.1.2015 Furniture was valued at Rs.5000. Provide depreciation on Furniture @ 20% p.a

**Receipts and Payments Account**

Receipts	Amount	Payments	Amount
Balance b/d:		Sports expenses	3200
Cash in hand	1600	Entertainment expense	2200
Entrance Fees	2000	Furniture(1.7.2015)	3000
Donations	3000	Office Expenses	4000
Endowment Fund Receipt	4000	Library Books	3200
Subscription:		Printing & Stationary	600
2012	300	Maintenance of Ground	700
2013	9100	Subscription to news papers	600
2014	400	Balance c/d:	
		Cash in hand	1800
		Cash at bank	1100
<b>Total</b>	<b>20400</b>	<b>Total</b>	<b>20400</b>

25. Prepare Delhi Branch Account in H.O books for the year ending 31<sup>st</sup> March 2016

Balances as on 1-4-2015:

Stock at Branch	15000
Debtors at Branch	30000
Petty cash at Branch	300
Goods sent to branch during the year	252000
Remittance from Branch:	
Cash sales	60000
Received from Debtors	210000
Goods returned by Branch	2000
Credit sales during the year	228000

Cheques sent to branch;

Salaries	9000
Rent and taxes	1500
Petty Cash	1100

Balance as on 31.3.2016:

Stock at Branch	25000
Petty Cash	200
Debtors	48000

26. Lekha, the proprietor of a departmental store decided to calculate separate profit for Departments X and Y for the month ending 31<sup>st</sup> January 2016. Stock on 31<sup>st</sup> January could not be valued for certain unavoidable reasons but her gross profit on sales for two Departments are 40% and 30%. Prepare Departmental Trading Account

Particulars	Department X	Department Y
Stock	9000	8400
Sales	42000	36000
Purchases	27000	21600
Direct Expenses	5490	8520

27. Murthy purchased machinery on Hire Purchase System for Rs.60000. The terms and conditions are as follows:
- |                           |       |
|---------------------------|-------|
| Down payment              | 10000 |
| At the end of first year  | 14000 |
| At the end of second year | 13000 |
| At the end of third year  | 12000 |
| At the end of fourth year | 11000 |
- Interest is charged on cash value at 10% p.a. calculate Cash Price of the machine.
28. Arvind occupies a room in a hotel at 9.00 a.m. on 15<sup>th</sup> April 2016 on European plan @ Rs.960 for every night spent plus 10% service charges. Calculate amount payable by him in each of the following the circumstances:
- If he checks out at 6.00 p.m. on 16<sup>th</sup> April 2016
  - If he checks out at 7.00 a.m. on 17<sup>th</sup> April 2016
  - If he checks out at 5.00 p.m. on 17<sup>th</sup> April 2016
  - If he checks out at 8.00 a.m. on 18<sup>th</sup> April 2016
- (6x4=24 marks)

#### Part D

*Answer any 2 questions. Each question carries 15 marks*

29. Arunagshu Transport Agency purchased two motor vans costing Rs.80000 each from Debika Auto Company on 1<sup>st</sup> January 2009 on Hire Purchase system. The terms of payment were Rs.20000 each for motor van on delivery and remainder in three equal annual instalments together with interest at 10% p.a to be paid at the end of each year. Arunagshu Transport Agency writes off 20% depreciation each year on diminishing balance method. The hire purchaser paid two instalments due on 31<sup>st</sup> December 2009 and 2010 but could not pay the final instalment. Debika Auto Company re-possessed one motor van adjusting its value against the amount due. The re-possession was done on the basis of 25% depreciation on Fixed Instalment method. Write up necessary ledger accounts in the books of both parties
30. Ascertain the profit or loss for the year ended 30<sup>th</sup> June 2015 and also prepare a final Statement of Affairs as on that date

Particulars	01.07.2014	30.06.2015
Stock in trade	16700	18500
Sundry Creditors	15400	14000
Sundry Debtors	11200	10500
Cash in Hand	250	1200
Bank Overdraft	20200	19400
Bills Receivable	15050	14200
Fixtures, fittings etc.	1500	1500
Motor van	1900	1900

The drawings during the year amounted to Rs.2600. Depreciate Fixtures by 10% and write off Rs.300 from Motor van. As regards the debtors it is ascertained that Rs.500 are irrecoverable and further reserve of 5% should be made. Also reserve Rs.700 in respect of Bills Receivable

31. Following balances have been extracted from the books of Mr Rajeevan prepare Trading, P/L a/c and Balance Sheet as on 31<sup>st</sup> December 2015.

Debit balance	Amount	Credit balance	Amount
Stock(1.1.2015)	69780	Capital	60000
Drawings	13000	Return Outwards	3360
Return Inwards	2216	Rent Outstanding	520
Carriage Inwards	4960	Interest on loan to Hari	100
Carriage Outwards	2900	Creditors	12000
Cash at Bank	5500	Provision for doubtful debts	4800
Rent	3280	sales	111656
Purchases	51880		
Debtors	16000		
5% loan to Hari given on 1.1.2014	4000		
Bad debts	1600		
Patents	2000		
Discount allowed	1320		
Cash in hand	248		
Goodwill	6920		
Salaries	3816		
Wages	3016		

Additional Information:

- Closing stock valued at Rs.75168
- Increase bad debts by Rs.2400
- Create a provision for doubtful @10% and provision for discount on debtors @ 5%
- Stock valued at Rs.6000 was destroyed by fire on 20.12.2015; the insurance company admitted the claim of loss for Rs.3800 only and paid on 30.12.2015.
- The manager of Mr Rajeevan is entitled to receive a commission of 10% on Net profit after charging such commission.

(2x15=30 marks)

Particulars	01.07.2014	30.06.2015
Stock in trade	16700	18200
Sundry Creditors	12400	14000
Sundry Debtors	11200	10200
Cash in hand	250	1200
Bank Overdraft	20200	19400
Bills Receivable	12020	14200
Fixtures, fittings etc.	1200	1200
Motor van	1900	1900

(Turn Over)