

31. The following is the Trial Balance of M/S Royal Agencies as on 31.3.2015. Prepare Trading & P/L a/c for the year ended 31.3.2015 and a Balance sheet as on that date.

Particulars	Dr Amount	Cr Amount
Capital		100000
Drawings	18000	
Buildings	15000	
Furniture & Fittings	7500	
Motor Van	25000	
Loan from Lal @ 12% interest		15000
Interest paid on above	900	
Sales		100000
Purchases	75000	
Opening Stock	25000	
Establishment expenses	15000	
Wages	2000	
Insurance	1000	
Commission received		7500
Sundry Debtors	28100	
Bank balance	20000	
Sundry Creditors		10000
<b>Total</b>	<b>232500</b>	<b>232500</b>

Adjustments:

- Value of Closing Stock as on 31.3.2015 was Rs.32000
- Outstanding Wages Rs.500
- Prepaid Insurance Rs.300
- Commission received in advance Rs.800
- Allow Interest on Capital @ 10%
- Depreciate Building 2.5%, Furniture & Fittings 10%, Motor Van 10%
- Interest on Drawings Rs.500

(2 x 15 = 30 Marks)

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(4)

17U225

(Pages: 4)

Name.....

Reg. No.....

SECOND SEMESTER B Com/B.B.A. DEGREE EXAMINATION, APRIL 2018

(CUCBCSS-UG)

(Core Course)

CC15U BB2 B02/ CC15U BC2 B02 - FINANCIAL ACCOUNTING

(BBA: 2015 Admission onwards Regular/Supplementary/Improvement

B Com: 2015 Admissions: Supplementary/Improvement)

Time: Three Hours

Maximum: 80 Marks

**Part A**

Answer *all* questions. Each question carries 1 mark.

I. Choose the correct answer:

- The policy "anticipate the profit and provide for all possible losses" arises due to
  - Convention of Consistency
  - Convention of Conservatism
  - Convention of full disclosure
  - Convention of materiality
- Account to be debited by proprietor of business for purchasing furniture for private use
  - Purchase Account
  - Furniture Account
  - Drawings Account
  - Cash Account
- Expenses in connection with obtaining a licence for running the cinema
  - Capital Expenditure
  - Revenue Expenditure
  - Deferred Expenditure
  - Prepaid Expense
- Carriage Inward is debited to
  - Profit and Loss Appropriation Account
  - Profit and Loss Account
  - Trading Account
  - Capital Account
- Income and Expenditure A/c records transactions of what nature
  - Revenue
  - Capital
  - Both revenue and capital
  - none of these

II. Fill in the Blanks:

- In ----- system the vendor has a right to take back the goods.
- In Departmental Accounting Debenture Interest is charged to -----
- Branch A/c under debtors system is a ----- a/c
- Every hotel maintains a visitors ledger which enables it to know the minute wise position of each and every -----
- If the goods are invoiced to branch by Head Office at cost plus 25%, goods costing Rs.360000 will be invoiced at -----

(10 x 1=10 Marks)

**Part B**

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

- What is Room rate?
- What is Branch Adjustment A/c?
- What is a non-trading concern?
- What is Hire Purchase Trading Account?
- What are Subsidiary Books?
- How will you apportion Depreciation and Rent in Departmental Accounts?

(1)

(Turn Over)

17. What is Capital Expenditure? Give an example.
18. What is Dual Aspect Concept?
19. How will you treat Prepaid Expenses while preparing final Accounts?
20. Give 2 limitations of Accounting Standards.

(8 x 2=16 Marks)

**Part C**

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

21. What are the functions of Accounting Standards Board of India?
22. Distinguish between Hire Purchase and Instalment System.
23. What are the differences between Receipts & Payments Account and Income & Expenditure Account?
24. Mr A arrives in Mumbai and checks into a room in a five star hotel at 4 p.m. on 1<sup>st</sup> June 2015 at Rs.500 per day plus 10% for service charges on European plan. Check out time in the hotel is 12 noon. Calculate amount payable by A in the following circumstances:
  - a) If Mr A checks out at 10 p.m. on the same day.
  - b) If Mr A checks out at 9 a.m. on 2<sup>nd</sup> June 2015.
  - c) If Mr A checks out at 6 p.m. on 2<sup>nd</sup> June 2015.
  - d) If Mr A checks out at 4 p.m. on 3<sup>rd</sup> June 2015.
25. Journalise the transactions in Head Office books:
  - a) Goods worth Rs.5000 as supplied by Delhi branch to Agra branch under the Instruction of Head Office.
  - b) Cash remitted by branch Rs.6000 has not reached Head Office.
  - c) Head Office charges Rs.4000 to Delhi branch as Head Office administrative Expenses.
  - d) Depreciation amounting to Rs.1000 on Delhi branch Fixed Assets where accounts of such assets are maintained at Head Office.
26. X Ltd purchased a truck on Hire Purchase System. As per the terms the company is required to pay Rs.70000 down, Rs.53000 at the end of first year, Rs.49000 at the end of second year and Rs.55000 at the end of third year. Interest is charged at 10% p.a. Calculate Cash Price of the truck and interest paid with each instalment.
27. Calculate the amount of Subscription to be credited to Income and Expenditure a/c for the year ending 31<sup>st</sup> December 2015
 

Subscription as per Receipts and Payments a/c during the year	20000
Subscription received in advance for 2016	1700
Subscription Outstanding on 31 <sup>st</sup> December 2014	1200
Subscription received in Advance for 2015 during 2014	900
Subscription outstanding on 31 <sup>st</sup> December 2015	800
28. You are given the following particulars of a business having 3 departments

Department	Purchases	Opening Stock	Closing Stock
X	1500 units	200 units	100 units
Y	1000 units	300 units	160 units
Z	2000 units	150 units	200 units

(2)

Additional Information:

- (a) Purchases were made at a total cost of Rs.92000
- (b) The percentage of gross profit on turnover is the same in each case
- (c) Purchase and sales price are constant for last two years
- (d) Selling price per unit-X Rs.20, Y Rs.25, Z Rs.30.

Prepare Departmental Trading Account

(6 x 4=24 Marks)

**Part D**

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

29. Moon Shine Ltd of Bombay purchased from Sun Shine Ltd of Surat 3 machines costing Rs.5000 each on hire purchase basis. Payment was to be made Rs.3000 down and the remainder in three equal instalments together with interest at 9%. Moon Shine Ltd write-off depreciation @ 20% on Diminishing balance. It paid the instalment due at the end of first year but could not pay the next. Sun Shine Ltd agreed to leave one machine with the purchaser adjusting the value of other 2 machines against the amount due. The machines were valued on the basis of 30% depreciation annually under diminishing balance method. Show necessary accounts in the books of Moon Shine Ltd and Sun Shine Ltd for 2 years.
30. The Lucknow branch of Kolkata Chemicals Ltd sends the following Trial Balance to Kolkata on 31<sup>st</sup> December 2015. Prepare Branch Trading and P/L account and pass necessary incorporation entries in the books of Head Office and prepare Branch Account

Particulars	Dr Amount	Cr Amount
Stock on 1.1.2015	10000	
Furniture	1500	
Goods from Kolkatta	50000	
Purchases	10000	
Return Inwards	1000	
Salaries	6000	
General Expenses	1000	
Rent	540	
Bad debts	160	
Carriage	150	
Sundry Debtors	9000	
Bank balance	4000	
Allowance to customers	200	
Bills receivable	4000	
Sales		87000
Returns to Kolkatta		400
Sundry Creditors		5000
Head Office Account		5150
<b>Total</b>	<b>97550</b>	<b>97550</b>

(3)

(Turn Over)