

30. Explain the accounting conventions and accounting concepts.

31. The following balances extracted from the books of Raman on 31st December 2019.

Purchases	₹40,000	Sales	₹70,185
Purchase returns	₹1,410	Stock (1/1/2019)	₹5,730
Capital	₹50,500	Drawing	₹8,800
Bad debt	₹700	Bad debt reserve	₹1,620
Carriage inward	₹1,155	Office expenses	₹670
Postage and stationary	₹330	Rates and insurance	₹650
Discount (Cr)	₹115	Bills receivable	₹620
Sales return	₹2,120	Wages	₹3,140
Building	₹13,000	Rent received	₹1,050
Cash at Bank	₹6,200	Cash in Hand	₹1,105
Office furniture	₹1,800	Salary	₹4,500
Commission paid	₹435	Postage	₹410
Sundry debtors	₹31,035	Sundry creditors	₹9,490
Building (new)	₹3,500	Sundry expenses	₹8,470

Prepare trading, profit and loss account for the year ending 31-12-2019 and preparing balance sheet on that date after considering the following:

- 1) Insurance unexpired ₹120
- 2) Provide interest on capital 5%
- 3) Rent not received ₹100
- 4) Depreciate building @2.5%, new @2% and office furniture@5%
- 5) Write off further bad debts ₹285
- 6) Increase the provision for bad debts at 6% on debtors
- 7) Salary outstanding ₹285
- 8) Stock on 31-12-2019 valued at ₹ 7,145

(2 × 15 = 30 Marks)

(4)

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(Pages: 4)

Name:

Reg. No:

SECOND SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2022

(CUCBCSS-UG)

CC16U BB2 B02 - FINANCIAL ACCOUNTING

(Core Course)

(2016 to 2018 Admissions - Supplementary/Improvement)

Time: Three Hours

Maximum: 80 Marks

Part A

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

1. The person to whom the goods are sold on credit is known as _____
2. AS 6 deals with _____
3. Journal is a book of _____ entry.
4. A debit in a nominal account denotes _____
5. Department accounts are prepared to know separately the _____ of each department.
6. Sale of old furniture will be recorded in _____
(a) Purchase journal (b) Sales journal (c) Journal proper (d) None of these
7. Madhu purchased goods costing Rs. 20,000 at 5% trade discount and 2% cash discount. Madhu will immediately pay for the goods.
(a) Rs.18,660 (b) Rs.18,620 (c) Rs.18,360 (d) Rs. 18,600
8. In case of hire purchase, asset account is debited with _____
(a) H.P price (b) Cash price (c) Cost price (d) None of these
9. Goods sent by the H.O to the branch, not received by the branch, are credited by the H.O. to
(a) Branch account (b) Goods in transit account
(c) Trading account (d) None of these
10. Fixed asset and current asset are categorised as per the concept of _____
(a) Separate entity (b) Going concern (c) Time period (d) Consistency

(10 × 1 = 10 Marks)

Part B

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

11. Define accounting standards.
12. What are the limitations of accounting?
13. What is imprest system?
14. What do you mean by foreign branch?
15. What is inter departmental transfer?
16. What are fictitious assets?
17. What is partial repossession?
18. What is bed occupancy rate?
19. Journalise the following transactions:
Biju started his business with Rs. 20,000, Purchased goods on credit from Balu Rs.3,000

(1)

Turn Over

20. Prepare trading account:

Opening stock	Rs. 4,800
Carriage inward	Rs. 1,040
Salary paid	Rs. 1,000
Sales	Rs. 25,000
Purchases	Rs. 10,000

(8 × 2 = 16 Marks)

Part C

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

21. Distinguish between trade discount and cash discount.
 22. What are the advantages of departmental accounts?
 23. Difference between hire purchase and sale.
 24. From the following information calculate the amount to be paid to the HP vendor if the hirer intends to complete the purchase of asset:

Cash price	₹72,000
Down payment	₹6,000
HP price	₹78,000
No of instalments	₹24
Instalment paid by hirer	₹18

25. From the following information ascertain gross profit and net profit:

Opening stock	₹4,800
Purchases	₹30,410
Carriage inward	₹1,048
Sales	₹41,720
Closing stock	₹7,680
Wages paid	₹5,600
Salary paid	₹200
Purchases return	₹370
Return inwards	₹1,720
Wages not paid	₹192
Loss due to fire	₹2,000

26. Mr Raju occupied a hotel, Hotel Samudra, at Kovalam. He came to the hotel at 10 p.m on 22nd March 2010 and the charge was @ ₹1,000 per night stay.

Compute the amount payable by Mr. Raju under each of the following conditions assuming that the service charges were @ 10% levied by the hotel:

- (a) If he checks out at 11 a.m on 23rd March 2010
 (b) If he checks out at 8 p.m on 23rd March 2010
 (c) If he checks out at 4 p.m on 24th March 2010
 (d) If he checks out at 9 p.m on 25th March 2010

(2)

27. A head office invoices goods to its branches at 20% less than the list price which is cost plus 100%. Goods are sold to customers at list price. From the following particulars ascertain the profit made by the head office and branch.

	Head office	Branch
Stock in the beginning (at invoice price for branch)	₹30,000	₹1,600
Purchases during the year	₹2,56,000	-
Goods sent to branch	₹40,000	-
Sales	₹1,80,000	₹36,000
Expenses	₹32,000	₹5,000

28. Departmental Stores Ltd. wishes to ascertain profit or loss made by its departments A, B and C. As the stock cannot be taken, you are informed that the rate of gross profit on sales is 40%, 30% and 20% respectively. All the expenses are charged on the basis of turnover of each department. The following are the information.

	Departments		
	A (₹)	B (₹)	C (₹)
Opening stock	6,000	7,000	3,000
Purchases	7,000	6,500	4,700
Sales	12,000	10,000	6,000
Advertisements	1,000	1,000	500
Rent	1,020	450	210

Other direct expenses relating to all departments amounted to ₹ 4,200. The sales of the other departments amounted to ₹ 84,000. Stock reserve is required at 10% on closing stock. There are in all six departments.

(6 × 4 = 24 Marks)

Part D

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

29. A Delhi merchant has a Branch at Madras to which he charges out the goods at cost Plus 25%. The Madras Branch keeps its own Sales Ledger and transmits all cash received to the Head Office every day. All expenses are paid from the Head Office.

The transactions of the branch were as follows:

Stock on (1-4-2015)	₹11,000	Return Inwards	₹500
Debtors (1-4-2015)	₹100	Cheques sent to Branch:	
Petty cash	₹100	Rent	₹600
Cash sales	₹2,650	Wages	₹200
Credit sales	₹23,950	Salaries and other expenses	₹900
Goods sent to Branch	₹20,000	Stock (31-3-2016)	₹13,000
Collection on ledger accounts	₹21,000	Debtors	₹2,000
Goods returned to H.O.	₹300	Petty cash (31-3-2016) including	
Bad debts	₹300	miscellaneous income ₹25 not	
Allowances to customers	₹25	remitted	₹125

Prepare Branch Trading and Profit and Loss account for the year 31-3-2016.