

**SECOND SEMESTER B.Com./B.B.A. DEGREE EXAMINATION
APRIL/MAY 2013**

(CCSS)

BC 2B 0 2/ BB 2 B02—FINANCIAL ACCOUNTING

(2009 Admissions)

Maximum : 30 Weightage



**COMMERCE
FACTORY**

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Section A

*This section consists of **three** bunches of questions each.*

Each bunch carries a weightage of 1.

*Answer **all** questions.*

I. Choose the most appropriate answer from the following.

1. The person to whom goods are sold on credit is called as :

(a) Creditor.	(b) Debtor.
(c) Owner.	(d) Buyer.
2. The primary objective of financial accounting is to ascertain :

(a) Assets at the end of a particular period.	(b) Liabilities at the end of a particular period.
(c) Capital at the end of a particular period.	(d) Profit or loss at the end of a particular period.
3. Outstanding expenditure is :

(a) An asset.	(b) A liability.
(c) Capital.	(d) None of these.
4. Non cash transactions are generally recorded through :

(a) Cash book.	(b) General Journal.
(c) Cash account.	(d) Petty cash book.

II. 5. Sales – Cost of goods sold =

- | | |
|-----------------|-------------------|
| (a) Profit. | (b) Gross profit. |
| (c) Gross loss. | (d) Capital. |
6. Accrued income is a/an :
- | | |
|-------------|----------------|
| (a) Asset. | (b) Liability. |
| (c) Income. | (d) Liability. |

Turn over

7. Entrance fee received is usually treated as :

- (a) Capital receipt.
- (b) Revenue receipt.
- (c) Deferred revenue receipt.
- (d) None of these.

8. Income and expenditure account of a non-trading organization is prepared to ascertain :

- (a) Profit.
- (b) Loss.
- (c) Surplus/ deficit.
- (d) Income and expenditure.

III. Fill in the blanks :

9. Receipts and payments account generally starts with _____.

- (a) Opening balance.
- (b) Closing balance.
- (c) Bank overdraft.
- (d) Total receipts.

10. Goods sent to branch account is closed by transferring to _____ account.

- (a) Purchase.
- (b) Sales.
- (c) Trading.
- (d) Profit and loss.

11. The department responsible for maintenance, repairs and engineering work in a hotel is termed as _____ department.

- (a) Repairs.
- (b) Maintenance.
- (c) Housekeeping.
- (d) Laundry.

12. Departmental accounts are usually prepared to ascertain separately the _____ of each department.

- (a) Sales
- (b) Purchase
- (c) Profit
- (d) Departmental transfers.

(3 × 1 = 3 weightage)

Section B

IV. Answer all *nine* questions in one or two sentences each. Each question carries a weightage of 1.

13. What is hire purchase trading account ?

14. What do you mean by capital expenditure ?

15. Give the journal entry for cash in transit in branch books.

16. What is a trial balance ?
17. What do you mean by trade discount ?
18. What is meant by matching concept ?
19. Distinguish between hotel and motel.
20. What do you mean by dependent branch ?
21. Define double entry system.

(9 × 1 = 9 weightage)

Section C

V. Answer any *five* questions in not exceeding one paragraph each.

Each question carries a weightage of 2.

22. Distinguish between single entry and double entry.
23. What are the advantages of accounting standards?
24. Distinguish between hire purchase system and Instalment system.
25. Journalise the following transactions in the books of Babu.

- 2013 January
1. Started business with cash Rs. 40,000
 5. Purchased goods for cash Rs.2,000 and on credit from Ram Rs. 2,000
 9. Paid wages Rs. 200
 10. Sold goods for cash Rs 2,000, and on credit to Sojan Rs. 4,000.
 15. Paid to bank Rs 2,000
 20. Paid to Raju Rs 2,000 as loan

26. Give adjusting entries:

- (a) Prepaid rent Rs. 3,000
- (b) Accrued interest on investment Rs. 10,000
- (c) Provision for bad debts Rs 900
- (d) Outstanding insurance Rs.2,000
- (e) Rent received in advance Rs.1,000

27. Mr. Mohan purchased a machine on hire purchase system paying Rs.1,00,000 down and agreeing to pay Rs.1,30,000 at the end of the first year, Rs. 1,20,000 at the end of second year and Rs.1,10,000 at the end of third year. Compute cash price of the machine and interest included in each installment if the rate of interest charged is 10 per cent per annum.

Turn over

28. A informed you of the following particulars of his transactions relating to goods consigned to B for the year ended 31-12-2012 : Goods sent (10,000 kgs)- Rs. 1,00,000; A's expenses - Rs.10,000 ; B's expenses-Freight Rs. 2,000, selling-Rs. 5,000 ; Sold (8000 kgs)-Rs.1,12,000 ; Loss due to natural wastage-100 kgs ; Commission @ 5% on gross sales. Prepare consignment Account with detailed calculation of unsold stock in the books of A.
(5 × 2 = 10 weightage)

Section D

- VI. Answer any *two* questions. Each question carries a weightage of 4. *
29. From the following details related to Modern cricket club, prepare income and expenditure account for the year ended 31-12-2012 and a balance sheet as on that date.

Receipts and payments account for the year ended 31-12-2012

	Rs		Rs
To Balance b/d	60,000	By Upkeep of field	40,000
Subscription	1,00,000	Expense of tournament	14,000
Admission fee	6,000	Telephone	4,000
Sale of old bats	1,000	Insurance	1,000
Rent for ground	6,000	Stationery	2,000
Subscription for tournament	20,000	General charges	1,000
Donations	2,00,000	Honorarium to Secretary	3,400
		Bats and balls	14,600
		Balance C/d	3,13,000
	3,93,000		3,93,000

Assets and liabilities of the club as on 1-1-2012 were as follows :

Assets-Stock of bats- Rs.30,000. Stationery Rs.4,000. Subscription due. Rs. 10,000 and

Liabilities—General charges outstanding Rs 500.

As on 31-12-2012, subscription due to the club was Rs. 15,000.

Write off depreciation on bats 50%, stationery at the end amounted to Rs.1,000.

30. From the following ledger balances and additional details, prepare Trading and Profit and Loss account for the year ended 31 December 2012 and a Balance Sheet as on that date :

	Rs		Rs
Purchases	6,53,400	Capital	1,60,000
Motor van	32,000	B/P	5,200
Furniture	16,000	Sundry creditors	1,26,200
Travelling expenses	13,800	Income from investment	1,980
Telegram	1,600	Purchase returns	7,400
Sundry debtors	1,28,000	Discount received	2,400
Discount allowed	3,000	Bank Loan (12%) (1-1-2012)	80,000
Sundry expenses	37,840	Sales	9,36,200
Stationery	3,000		
Interest on loan	6,000		
Establishment expenses	9,200		
Advertisement	6,190		
Sales returns	5,000		
Land and building	80,000		
Investments	24,000		
Stock (1.1.2012)	1,27,360		
Salaries	40,000		
B/R	39,600		
Drawings	20,000		
Cash in hand	73,390		
	13,19,380		13,19,380

Closing stock is valued at Rs.2,40,000.

Salaries paid in advance Rs.3,000.

Charge depreciation on Motor Van 20%, Furniture 10%, land and building 2.5%.

Maintain reserve for doubtful debts 10% of sundry debtors.

31. Baba Shoe company, Madras has a branch at Calcutta. The transactions of the company with its branch for three years ended 31 March 2012 were as follows:-

		Rs.
Opening balances (1-4-2011)	...	50,000
Debtors	...	40,000
Petty Cash	...	2,000
Goods sent to branch	...	1,50,000
Cash sent to branch for expenses :		
Salary	...	5,000
Rent	...	6,000.
Petty cash	...	5,000
Cash from branch from cash sales	...	1,50,000
Cash received from debtors	...	1,20,000
Closing balances (31-3-2012) Stock	...	25,000
Debtors	...	20,000
Petty cash	...	1,000

Pass Journal entries in the books of Head Office and prepare branch account.

(2 × 4 = 8 weightage)