

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600 086**

**(For candidates admitted during the academic year 2019-20 and thereafter)**

**SUBJECT CODE: 19CO/MC/FA23**

**B.COM (CS) DEGREE EXAMINATION APRIL 2021**

**CORPORATE SECRETARYSHIP**

**SECOND SEMESTER**

**COURSE : MAJOR CORE**

**PAPER : FINANCIAL ACCOUNTING**

**TIME : 90 MINUTES**

**MAX MARKS: 50**

**Section - A**

**Answer all questions**

**(3x2 = 6)**

1. Goods worth Rs 5000 distributed as free samples to customers.
2. Compute Opening branch debtors balance from the following transactions:

	Rs
Credit sales	51000
Cash received from debtors by the branch	42500
Branch Debtors (closing)	7700
Discount allowed to customers by branch	1800

3. What are the types of recurring and Non-Recurring expenses in consignment accounting?

**Section - B**

**Answer any three questions**

**(3x8=24)**

4. A, B and C entered into a Joint Venture of a contract, Rs 5,00,000 is the contract price. Rs 80,000, Rs 60,000 and Rs 1,20,000 were invested by A, B and C and a Joint Bank a/c was opened. They purchased materials for 1,60,000. Certification fees were paid by A amounting to Rs 10000. Miscellaneous expense of Rs 25000 was paid by B and architect fees of Rs 1,00,000 was paid by C.  
Prepare the necessary ledger accounts when separate set of books were maintained by the Joint Ventures.
5. Malan purchased a machine on hire purchase system on 1<sup>st</sup> January 2020. The terms of payment are four annual instalments of Rs 12,690 at the end of each year. Interest is charged at 5% and is included in the annual payment of Rs 12,690. Show Machinery account and Hire vendor account in the books of Malan who defaulted in the payment of third yearly payment whereupon the vendor repossessed the Machinery. Malan provides depreciation on the machinery @ 10% p.a., on the reducing balance Method.
6. N Ltd., of Trichy has a branch at Madras. Goods are sent by head office at invoice price which is at the profit of 20% on cost price. All expenses of the branch are paid by the head office. From the following particulars, prepare branch accounts in the books of head office.

<b>Particulars</b>	<b>Rs</b>
<b>Opening Balances:</b>	
Stock at invoice price	11000
Debtors	1700
Petty Cash	100
Goods sent to branch at invoice price	20000
<b>Expenses paid by Head office</b>	
Rent	600
Wages	200
Salary	900
<b>Remittance made to Head office</b>	
Cash sales	2650
Cash collected from Debtors	21000
Goods returned by branch at invoice price	400
<b>Balances at the end</b>	
Stock at invoice price	13000
Debtors	2000
Petty cash	25

7. Karthik sold goods on behalf of vinayak Sales Corporation on consignment basis. On 1-1-99, he had with him a stock of Rs 40,000 on consignment. Karthik had instructions to sell at cost plus 25% on sales, in addition to 1% del-credere commission on total sales, for guaranteeing collection of all the sale proceeds. During the year ended 31-12-99 cash sales were Rs 2,40,000, credit sales Rs 2,10,000 and Karthik's expenses in relation to consignment of Rs 6,000 being salaries and insurance. Bad debts were Rs 6,000 and goods sent of consignment Rs 4,00,000. You are required to prepare Consignment Account, Value of unsold stock and consignee account.

**Section - C**

**Answer any one question**

**(1 x 20 = 20)**

8. From the following Trial Balance of Sri N , Prepare Trading, Profit & Loss account and Balance Sheet as on that date.

<b>Debit balances</b>	<b>Amount Rs</b>	<b>Credit balances</b>	<b>Amount Rs</b>
Stock on 1.1.2010	70000	Capital	200000
Plant & Machinery	50000	Wages outstanding	4000
Rent	3000	Sales	500000
Depreciation on Plant & Machinery	5000	Creditors	45000
Drawings	40000	Bills Payable	16000
Wages	20000	Discount(Cr)	12000
Income Tax	2000	Bank Overdraft	9000
Salary for 11 months	11000	Commission(Cr)	8000
cash	5000	Purchase Returns	5000

Buildings	160000		
Depreciation on Buildings	8000		
Purchases	300000		
Debtors	80000		
Bills Receivable	30000		
Discount(Dr)	2000		
Carriage Inwards	4000		
Bad debts	6000		
Sales returns	3000		
	799000		799000

- i) Stock was valued at Rs 96000 on 31.12.2010.
  - ii) Stock destroyed by fire was Rs 6000 and the insurance company accept a claim for Rs 3600.
  - iii) Rs 1600 paid as rent of the office was debited to Landlord account and was included in the list of debtors.
  - iv) Goods invoiced Rs 10000 was sent to customers on sale or return basis on 28<sup>th</sup> December 2010, the customer still having the right to return the goods. The rate of gross profit was 1/5 of sale.
  - v) One month's salary was outstanding.
9. Mr B purchased a machinery from K & Co., on hire purchase system on 1.1.2018. The cash price of the machine was Rs 1,00,000. The amount to be paid on delivery was Rs 20000 and the balance by four instalments of Rs 20000 plus interest @5% on yearly balances.
- B failed to pay the instalment due on 31.12.2019. K & Co., took possession of the machinery and valued the same in their books after charging depreciation @ 10%p.a. In 2019 , K & Co., incurred Rs 1000 for reconditioning and re-sold the machinery for Rs 90,000.
- Show the necessary workings and ledger accounts in the books of Mr B and K & Co.

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