

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86**  
**(For candidates admitted from the academic year 2023 – 2024)**

**B.COM. DEGREE EXAMINATION, APRIL 2024**  
**CORPORATE SECRETARYSHIP**  
**SECOND SEMESTER**

**COURSE** : MAJOR CORE  
**PAPER** : FINANCIAL ACCOUNTING  
**SUBJECT CODE** : 23CO/MC/FA23  
**TIME** : 3 HOURS

**MAX. MARKS: 100**

<b>SECTION A (5 x 2 =10)</b>			
<b>Q.No.</b>	<b>Answer all questions:</b>	<b>CO</b>	<b>KL</b>
1	Ascertain gross profit from the following Opening stock – Rs.2,00,000 Closing stock - Rs.1,80,000 Purchases - Rs.8,50,000 carriage on purchases -Rs.23,000 carriage on sales - Rs.30,000 office rent - Rs.58,000 Sales – Rs.14,07,000	1	1
2	What is repossessed stock?	1	1
3	Calculate the number of units sold in the following department Opening stock - 120 Units Purchases - 1000 Units Closing stock - 100 Units	1	1
4	What is del-credere commission?	1	1
5	A and B completed a venture and earned Rs. 30,000 . They share profit in the ratio of 2:1. What is the Journal entry to be passed when there is no separate set of books?	1	1
<b>SECTION B (4 x 5 = 20)</b>			
<b>Q.No.</b>	<b>Answer any 4 questions:</b>	<b>CO</b>	<b>KL</b>
6	What is the difference between accounting standards and Indian accounting standards?	2	2
7	X purchased a typewriter on hire-purchase system. As per terms, he is required to pay Rs.800 down, Rs.400 at the end of the first year, Rs.300 at the end of the second year and Rs.700 at the end of the third year. Interest is charged at 5% p.a. Calculate the total cash price of the typewriter and the amount of interest payable on each installment.	2	2

8	<p>From the following particulars prepare a branch account showing the profit or loss at the branch:</p> <table border="1" data-bbox="315 233 1073 443"> <tr> <td>Opening stock at the branch</td> <td>Rs.15,000</td> </tr> <tr> <td>Goods sent to the branch</td> <td>Rs.45,000</td> </tr> <tr> <td>Sales</td> <td>Rs.60,000</td> </tr> <tr> <td>Salaries</td> <td>Rs.5,000</td> </tr> <tr> <td>Other expenses</td> <td>Rs.2,000</td> </tr> </table> <p>Closing stock could not be ascertained but it is known that the branch usually sells at cost plus 20%. The branch manager is entitled to a commission of 5% on the profit of the branch before charging such commission.</p>	Opening stock at the branch	Rs.15,000	Goods sent to the branch	Rs.45,000	Sales	Rs.60,000	Salaries	Rs.5,000	Other expenses	Rs.2,000	2	2											
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9	<p>Mr. Prem consigned 200 boxes of Medicines @ Rs100 Box to Mr. Ram. He incurred the following expenses:</p> <p>Insurance Rs.1,000  Loading Charges Rs.1,600  Freight Rs1,400</p> <p>An account sales was received from Mr.Ram which showed that 160 boxes were sold @Rs.200 per box. Mr.Ram incurred the following expenses:</p> <p>Clearing charges Rs.1,000  Godown rent Rs.400  Advertisement Rs.600  Other selling expenses Rs.1000</p> <p>Ascertain the value of closing stock on consignment and show also the relevant entry.</p>	2	2																					
10	<p>S and P entered into a joint venture and agreed to divide the profit to S 60% and P 40%. S and P contributed Rs 1,80,000 and 1,20,000 respectively for carrying on transactions relating to the venture. They opened a joint bank account with the above contributions. They purchased three old state buses for Rs 2,40,000. S and P personally paid Rs 45,000 and Rs 30,000 respectively for repairs and renewals. They purchased a few tyres and tubes costing Rs. 54,000. Two buses were sold for Rs 2,70,000 and the third one was taken by P at cost price. Prepare joint venture a/c, joint bank account, and close the accounts of the venture.</p>	2	2																					
11	<p>M &amp; Co has two departments cloth and readymade. Readymade clothes are manufactured by the firm itself out of the cloth supplied by cloth department at its usual selling rate. Prepare Departmental trading and P&amp;L account and General P&amp;L account for the year ending 31.12.23</p> <table border="1" data-bbox="315 1583 1273 1961"> <thead> <tr> <th>Particulars</th> <th>Cloth Department</th> <th>Readymade Department</th> </tr> </thead> <tbody> <tr> <td>Opening stock on 01.01.23</td> <td>3,60,000</td> <td>60,000</td> </tr> <tr> <td>Purchases</td> <td>29,00,000</td> <td>20,000</td> </tr> <tr> <td>Sales</td> <td>35,00,000</td> <td>7,00,000</td> </tr> <tr> <td>Transfer to readymade department</td> <td>4,50,000</td> <td>-</td> </tr> <tr> <td>Manufacturing expenses</td> <td>-</td> <td>1,40,000</td> </tr> <tr> <td>Closing stock on 31.12.23</td> <td>1,00,000</td> <td>48,000</td> </tr> </tbody> </table>	Particulars	Cloth Department	Readymade Department	Opening stock on 01.01.23	3,60,000	60,000	Purchases	29,00,000	20,000	Sales	35,00,000	7,00,000	Transfer to readymade department	4,50,000	-	Manufacturing expenses	-	1,40,000	Closing stock on 31.12.23	1,00,000	48,000	2	2
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	General expenses incurred for both the departments were Rs 1,20,000. The stocks in the Readymade department may be considered as consisting of $66\frac{2}{3}$ % cloth and $33\frac{1}{3}$ % other expenses. The cloth department earned profit at the rate of 18% in 2022.																																																										
<b>Q. No.</b>	<b>SECTION C (4 x 10 =40)</b> <b>Answer the following questions</b>	<b>CO</b>	<b>KL</b>																																																								
12 a.	<p>Prepare trading and P&amp; L A/c from the following trial balance of Mr. Krishna for the year ended 31.3.23.</p> <p style="text-align: center;"><b>Trial Balance as on 2023</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Debit balances</th> <th style="width: 10%;">Rs.</th> <th style="width: 30%;">Credit balances</th> <th style="width: 10%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Purchases</td> <td style="text-align: right;">25,200</td> <td>Sales</td> <td style="text-align: right;">61,604</td> </tr> <tr> <td>Furniture</td> <td style="text-align: right;">1,600</td> <td>Capital</td> <td style="text-align: right;">35,000</td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">3,500</td> <td>Creditors</td> <td style="text-align: right;">3,903</td> </tr> <tr> <td>Machinery</td> <td style="text-align: right;">20,000</td> <td>Purchase returns</td> <td style="text-align: right;">222</td> </tr> <tr> <td>Opening stock</td> <td style="text-align: right;">17,525</td> <td></td> <td></td> </tr> <tr> <td>Sales returns</td> <td style="text-align: right;">1,200</td> <td></td> <td></td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">10,400</td> <td></td> <td></td> </tr> <tr> <td>Carriage inwards</td> <td style="text-align: right;">200</td> <td></td> <td></td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">10,600</td> <td></td> <td></td> </tr> <tr> <td>Carriage outwards</td> <td style="text-align: right;">503</td> <td></td> <td></td> </tr> <tr> <td>Rent &amp; taxes</td> <td style="text-align: right;">2,001</td> <td></td> <td></td> </tr> <tr> <td>Cash at bank</td> <td style="text-align: right;">8,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,00,729</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,00,729</td> </tr> </tbody> </table> <p>Adjustments</p> <ul style="list-style-type: none"> <li>● Closing stock Rs.16,000</li> <li>● Outstanding salaries Rs.400, prepaid rent Rs.201</li> <li>● Provide 5% to bad and doubtful debts on debtors.</li> <li>● Depreciation on machinery is 10%</li> <li>● Interest on capital is 5%</li> </ul> <p style="text-align: center;"><b>(Or)</b></p>	Debit balances	Rs.	Credit balances	Rs.	Purchases	25,200	Sales	61,604	Furniture	1,600	Capital	35,000	Wages	3,500	Creditors	3,903	Machinery	20,000	Purchase returns	222	Opening stock	17,525			Sales returns	1,200			Debtors	10,400			Carriage inwards	200			Salaries	10,600			Carriage outwards	503			Rent & taxes	2,001			Cash at bank	8,000				1,00,729		1,00,729	3	3
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12 b.	<p>Arun &amp; Co., a private limited company agreed to buy a machinery from Raj &amp; Co., on Hire Purchase system for Rs.92,000 on 1, January 2011. The buyer paid a sum of Rs.12,000 on the date of signing the agreement and agreed to pay Rs.16,000 p.a plus interest 5% p.a. The buyer depreciates the machinery at 10% p.a. On the original cost method. From the above particulars show Machinery account and Hire vendor account in the books of Arun &amp; Co.</p>	3	3																																																								
13 a.	<p>A head office invoices goods to its branch at cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the H.O. From the following particulars, prepare the necessary accounts on the stock &amp; debtors system to show the profit or loss at the branch.</p> <p>Stock on 1.1.23( invoice price) – Rs.27,900 Debtors on 1.1.23 – Rs.20,400 Goods invoiced to the branch (invoice price) –Rs.1,53,000 Cash sales – Rs.75,000</p>	3	3																																																								

	<p>Credit sales –Rs.93,000  Cash collected from debtors –Rs.91,200  Goods returned by debtors – Rs.3,600  Goods returned to HO by branch –Rs.4,500  Shortage of stock – Rs.1,350  Discount allowed –Rs.600  Expenses at the branch – Rs.16,200  Bad debt –Rs.600</p> <p style="text-align: center;"><b>(Or)</b></p>		
13 b.	<p>The following purchases were made by a business house having three departments  Dept A -1000 Units  Dept B - 2000 Units ( at a total cost of Rs .1,00,000)  Dept C - 2,400 units</p> <p>Stock on 1st January were:  Dept A -120 units  Dept B - 80 Units  Dept C - 152 units</p> <p>Sales were:  Dept A - 1020 units at Rs. 20 each  Dept B - 1920 units at Rs 22.50 each  Dept C - 2496 units at Rs 25 each  The rate of Gross profit is the same in each case . Prepare a departmental trading account.</p>	3	3
14 a.	<p>Raman &amp; Co of Waltair sent 50 cases of goods at Rs.200 each to Nadhan &amp; Co of Mumbai on consignment. Consignor paid insurance Rs.200 and travel expenses Rs.300. As per the account sales received from Nadhan &amp; co., sales are Rs.14, 000, carriage Rs.80, godown rent Rs.100, and freight charges Rs.20. Consignee gets a commission of 3 % on sales. Consignee sends cheque to the consignor for the amount due. Prepare Ledger accounts in the books of Raman &amp; Co.</p> <p style="text-align: center;"><b>(Or)</b></p>	4	4
14 b.	<p>Mr.Ramesh consigned 2,000 mt of chemicals at a cost of Rs.800 per mt. to Mr.Jain. Mr.Ramesh paid freight and insurance charges of Rs. 20,000. of the above 500 mt of chemicals were destroyed by fire during transit. Mr.John cleared the balance of 1,500 mt of chemicals and sold 1000 mt at an average price of Rs.1000 per mt. Mr.John incurred the following expenses:Godown Rs.5,000;Insurance Rs.3,000; clearing charges Rs.4,500. Insurance claim received against fir Rs.4,00,000 after admitting the salvage value of stock destroyed by fire at Rs. 10,000. Mr. John was entitled to a commission of 10% on sales proceeds. Mr.John sent the balance to Mr.Ramesh after adjusting his commission and expenses out of the sale proceeds. Prepare consignment a/c and Mr.John's a/c in the books of Mr.Ramesh.</p>	4	4

15 a.	<p>Mr.Ramu and Mr.Chand enter into a Joint venture to share the result as to 2:1. The joint venture transactions are as under:</p> <table border="1" data-bbox="313 306 1222 548"> <thead> <tr> <th></th> <th>Mr.Ramu Rs.</th> <th>Mr.Chand Rs.</th> </tr> </thead> <tbody> <tr> <td>Goods supplied</td> <td>60,000</td> <td>30,000</td> </tr> <tr> <td>Expenses Paid</td> <td>8,000</td> <td>2,000</td> </tr> <tr> <td>Sale proceeds received</td> <td>80,000</td> <td>56,000</td> </tr> </tbody> </table> <p>Show the journal entries and ledger accounts in the books of both the parties.</p> <p style="text-align: center;"><b>(Or)</b></p>		Mr.Ramu Rs.	Mr.Chand Rs.	Goods supplied	60,000	30,000	Expenses Paid	8,000	2,000	Sale proceeds received	80,000	56,000	4	4												
	Mr.Ramu Rs.	Mr.Chand Rs.																									
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15 b.	<p>From the following information prepare branch account relating to Chennai Branch.</p> <table border="1" data-bbox="313 806 1211 1440"> <thead> <tr> <th>Particulars</th> <th>Amount</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Stock on 01.01.22</td> <td></td> <td>11,200</td> </tr> <tr> <td>Branch Debtors on 01.01.22</td> <td></td> <td>6,300</td> </tr> <tr> <td>Goods sent to branch</td> <td></td> <td>51,000</td> </tr> <tr> <td>Cash sent to branch for Rent Salaries Petty Cash</td> <td>1,500 3,000 500</td> <td>5000</td> </tr> <tr> <td>Sales at branch Cash Credit</td> <td>25,000 39,000</td> <td>64,000</td> </tr> <tr> <td>Cash received from debtors</td> <td></td> <td>41,200</td> </tr> <tr> <td>Stock on 31.12.22</td> <td></td> <td>13,600</td> </tr> </tbody> </table>	Particulars	Amount	Amount	Stock on 01.01.22		11,200	Branch Debtors on 01.01.22		6,300	Goods sent to branch		51,000	Cash sent to branch for Rent Salaries Petty Cash	1,500 3,000 500	5000	Sales at branch Cash Credit	25,000 39,000	64,000	Cash received from debtors		41,200	Stock on 31.12.22		13,600	4	4
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Stock on 31.12.22		13,600																									
<b>Q. No.</b>	<b>SECTION D (2 x 15 = 30)</b> <b>Answer any 2 questions:</b>	<b>CO</b>	<b>KL</b>																								
16	Prepare Trading, profit & loss a/c and Balance Sheet from the following Trial Balance of Mr. Madan.	5	5																								

Debit Balances		Credit Balances		
Sundry Debtors	92000	Madan's Capital	70,000	
Plant & Machinery	20,000	Purchase returns	2,600	
Interest	430	Sales	2,50,000	
Rent & rates	5600	Sundry Creditors	60,000	
Conveyance charges	1,320	Bank overdraft	20,000	
Wages	7,000			
Sales returns	5,400			
Purchases	1,50,000			
Opening stock	60,000			
Madan's Drawings	22,000			
Trade Expenses	1,350			
Salaries	11,200			
Advertising	840			
Discount	600			
Bad debts	800			
Business Premises	12,000			
Furniture & Fixtures	10,000			
Cash in hand	2,060			
	<u>4,02,600</u>		<u>4,02,600</u>	
Adjustments:				
(i) Stock on hand on 31-12-23 Rs.90,000				
(ii) Provide depreciation on premises at 2.5%; Plant & Machinery at 7.5% ; furniture & fixtures at 10%.				
(iii) Write off Rs.800 as further bad debts				
(iv) Provide for doubtful debts at 5% on sundry debtors				
(v) Outstanding rent was Rs.500 and outstanding wages Rs.400				
(vi) Prepaid insurance Rs.300 and prepaid salaries Rs.700				
17	On 1.1.90 National Transport company purchased from Metro Motors five trucks costing Rs.40,000 each on the hire purchase system. It was agreed that Rs.50,000 should be paid immediately and the balance in three instalments of Rs. 60,000 each at the end of each year. The Metro Motors charges interest @ 10% p.a. The buyer depreciates trucks at 20% p.a on the diminishing balance method. The buyer paid cash down and two installments but failed to pay the last instalment. Consequently, the Metro Motors repossessed three trucks leaving two trucks with the buyer and adjusting the value of 3 trucks against the amount due. The trucks repossessed were valued on the basis of 30% depreciated p.a. on the written down value. The trucks repossessed were sold by Metro Motors for Rs. 60,000, after necessary repairs amounting to Rs. 10,000. Open the necessary ledger accounts in the books of both the parties.		5	5

18	<p>Mr. Malan of Madurai forwarded on 1.6.23 100 Mopeds to Mr.Paul of Kolkata to be sold on his behalf. The cost of one Moped was Rs 1,600 but the invoice price was Rs. 2,000. Mr.Malan incurred Rs 20,000 on insurance and freight. The consignment was received by Mr. Paul on 10.6.23. He also sent a bank draft for Rs 1,50,000 as advance against the consignment.</p> <p>Mr.Paul also incurred Rs 1200 on godown rent and Rs.2800 on advertisement on 10.8.23, Mr.Paul sent an Account sales stating that he had sold 90 Mopeds at a price of Rs.2,150 each. He is also entitled to a commission of 5% on gross sales.</p> <p>You are required to show journal entries and ledger accounts in the books of Mr.Malan and Mr.Paul, assuming that the balance due by Mr.Paul is sent by bank draft on 31.8.23.</p>	5	5
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