

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2011–12 & thereafter)

SUBJECT CODE: 11CM/MC/FA14

B.Com. / B.Com.(C.S) DEGREE EXAMINATION NOVEMBER 2014
COMMERCE
CORPORATE SECRETARYSHIP
FIRST SEMESTER

COURSE : MAJOR – CORE
PAPER : FINANCIAL ACCOUNTING
TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

ANSWER ALL QUESTIONS:

(10 x 3 = 30)

1. What is single entry?
2. What is average due date?
3. What is account current?
4. What is depreciation?
5. State the uses of tally.
6. A company purchased a plant for Rs. 50,000. The useful life of the plant is 10 years and residual value is 10,000. Find out the rate of depreciation under straight line value method.
7. Find out the profits from the following data:

Capital at the beginning of the year	- 8, 00,000
Drawings during the year	- 1, 80,000
Capital at the end of the year	- 9, 00,000
Capital introduced during the year	- 50,000
8. From the following data, ascertain sales made during the year by preparation of Memorandum Trading Account.

Stock on 01-01-1994	- 60,000
Stock on 31-12-1994	- 40,000
Purchase during 1994	- 4, 00,000
Rate of gross profit on sale	- 20%
Wages paid	- 10,000
9. On 01-01-1990 X bought some trucks under hire–purchase system for Rs. 51,000 payable by three equal installments combining principle and interest, the latter being a normal rate of 5% per annum. Calculate the cash price. (The present value of an annuity of one rupee for three years at 5% is Rs. 2.72325).

10. From the following find out the net credit purchases :

Opening balance of sundry creditors	-	40,000
Payment by cheques	-	2, 35,000
Payment by bills payable	-	25,000
Payment in cash	-	5,000
Discount received	-	2,500
Purchase returns	-	5,000
Closing balance of sundry creditors	-	47,500

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. A machine purchased on 1st July 1983 at a cost of Rs. 14,000 and Rs. 1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year, the books are closed on 31st December each year. The machine was sold for Rs. 9,500 on 31st March 1986. Show the machinery account for all the three years.

12. Mohan a retail merchant commenced a business with a capital of Rs. 12,000 on 01-01-1994. Subsequently on 01-05-1994 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs. 2,000 for his personal use. On 31-12-1994, his assets and liabilities were as follows :-

Cash at bank	-	3,000
Debtors	-	4,000
Stock	-	16,000
Furniture	-	2,000
Creditors	-	5,000

Calculate the profit (or) loss made during the year 1994.

13. Ramesh drew upon Vinod several bills of exchange due for payment on different dates as under :

Date of the bill	Amount Rs.	Tenure of the bill
01-6-88	1,200	3 months
19-6-88	1,600	2 months
10-7-88	2,000	3 months
27-7-88	1,500	3 months
07-8-88	1,800	1 months
15-8-88	2,400	2 months

Find out the Average due date on which payment may be made in one single amount.

14. Loyal Shoe Company opened a branch at Madras on 01-01-1989. From the following particulars, the Madras branch account for the years 1989 and 1990.

	<u>1989</u>	<u>1990</u>
	Rs.	Rs.
Goods sent to Madras branch	15,000	45,000
Cash sent to branch for :		
Rent	1,800	1,800
Salaries	3,000	5,000
Other expenses	1,200	1,600
Cash received from the branch	24,000	60,000
Stock on 31 st December	2,300	5,800
Petty cash in hand on 31 st December	40	30

15. On 01-01-1986, X purchased machinery on hire purchase system. The payment is to be made Rs. 4,000 down (on signing of the contract) and Rs.4, 000 annually for three years. The cash price of the machinery is Rs. 14,900 and the rate of interest is 5%. Calculate interest in each year's installment.
16. Z purchased a typewriter on a hire-purchase system. As per terms he is required to pay Rs.800 down, Rs. 400 at the end of first year, Rs.300 at the end of second year and Rs.700 at the end of third year, interest is charge at 5% p.a. Calculate the total cash price of the typewriter and the amount of interest payable on each installment.
17. The sundry debtors on 31st Dec. 95 are Rs. 40,000. On analysis, it is found that debtors for Rs. 36,000 are good. The debtors for Rs. 3,000 are doubtful and are estimated to realise $\frac{2}{3}$ rd of the amount and the debtors for Rs. 1,000 are bad. make a provision for doubtful debts. Show the Journal, Profit & loss A/c and Balance sheet.

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

18. A Madras head office had a branch at Salem to which the goods are invoiced at cost plus 20%. From the following particulars , prepare branch A/c in the head office books:

Goods sent to branch	2, 11,872
Total sales	2, 06,400
Cash sales	1, 10,400
Cash received from branch debtors	88,000
Branch debtors on 01-01-1996	24,000
Branch stock on 01-01-1996	7,680
Branch stock on 31-12-1996	13,440

19. K purchased a truck for Rs. 1, 60,000 from S on 01.01.1993 payment to be made Rs.40, 000 down and Rs. 46,000 at the end of first year, Rs.44, 000 at the end of second year and Rs.42, 000 at the end of third year. Interest was charged at 5%. K depreciates the truck at 10% p.a. on written down value method. K, after having paid down payment and first installment at the end of the first year could not pay second installment. The seller took possession of the truck and after spending Rs. 4,000 on repairs of the asset, sold it away for Rs.91, 500. Give the journal entries and ledger accounts in the book of both parties.
20. A company, whose accounting year is the calendar year, purchased on 01.01.1993 a machine for Rs. 40,000. It purchased further machinery on 1st October 1993 for Rs.20, 000 and on 1st July 1994 for Rs. 10,000. On 01.07.1995, 1/4th of the machinery installed on 01.01.1993 became obsolete and sold for Rs.6800. show how the machinery account would appear in the books of the company for all the three years under Diminishing Balance method. Depreciation is to be provided at 10% p.a.
21. Rama commenced business 01.01.1989 with a capital of Rs. 25,000. He immediately bought furniture for Rs. 4,000. During the year, he borrowed Rs. 5,000 from his wife and introduced further capital of Rs. 3,000. He has withdrawn Rs. 600 at the end of each month for family expenses. From the following particulars obtained from his books, you are required to prepare trading and P & L A/c and Balance sheet as on 31-12-1989.

Sales (including cash sales of Rs. 30,000)	-	1,00,000
Purchases (including cash purchases of Rs. 10,000)	-	75,000
Carriage	-	700
Wages	-	300
Discount allowed to debtor	-	800
Salary	-	6,200
Bad debts written off	-	1,500
Trade expenses	-	1,200
Advertisement	-	2,200

Rama has used goods worth Rs. 1,300 for private purpose and paid Rs. 500 to his son which is not recorded anywhere on 31.12.1989. His debtors were worth Rs. 21,000, Creditors Rs. 15,000 and stock in trade Rs. 10,000. Furniture to be depreciated at 10% p.a.
