

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2015-2016)

SUBJECT CODE: 15CM/MC/AG35

B.Com. (A & F) DEGREE EXAMINATION NOVEMBER 2016
ACCOUNTING AND FINANCE
THIRD SEMESTER

COURSE : MAJOR CORE
PAPER : ACCOUNTING- II
TIME : 3 HOURS

MAX. MARKS: 100

SECTION A

Answer ALL questions.

(10 x 2 = 20 marks)

- 1) Define Depreciation.
- 2) What is Hire Purchase System?
- 3) Differentiate between Intangible assets and Fixed assets.
- 4) Calculate the number of units sold in the following Departments:

Particular	Depart – I	Depart – II
Opening Stock	120 units	80 units
Purchase	1000 units	2,000 units
Closing Stock	100 units	160 units

- 5) State the uses of Average Due Dates.
- 6) Journalise the following in case of Dissolution of firm:
 - a) Realisation Expenses Rs 2,000
 - b) Stock worth Rs 6,000 taken by Partner B
- 7) From the following data prepare Branch account:

Goods sent to branch	30,000
Cash sent to branch for expenses	12,000
Cash received from the branch	28,000
Stock on 31-12-2013	4,600
Petty cash in hand on 31-12-2013	80

- 8) From the following Calculate Rate of Depreciation under SLM:

Cost of the Assets	=	Rs. 2, 00,000
Scrap Value	=	Rs. 20,000
Estimated life of the Assets	=	10 years

- 9) What do you mean by Inter Departmental Transfer?
- 10) Apportion the following expenses on the basis of cost of goods sold ratio to the four Departments A,B,C & D

Sales	A 1, 00,000	B 75,000	C 50,000	D 25,000
GP Ratio	25% on sales			
Expenses	Salary 24,000	Rent 6,000	Insurance 5,000	

SECTION B**Answer any FIVE questions.****(5 x 8 = 40 marks)**

11) The following information is given to you for April

	Rs.
Debtors on 1 st April	2,00,000
Creditors on 1 st April	1,00,000
Credit sales	4,00,000
Credit purchases	1,90,000
Cash received from Debtors	2,80,000
Discount allowed	14,000
Bad Debts written off	7,000
B/R Received	15,000
Cash paid to suppliers	1,50,000
B/P issued	60,000
Cash purchases	3,000
Discount received	4,000
Cash Sales	2,000

Prepare in General Ledger:

(a) Sales Ledger Adjustment Account

(b) Bought Ledger Adjustment Account

12) Rajan purchased goods from Mohan, the due dates for payment in cash being as follows :

March 15	Rs 2,000	Due 18 th April 2016
April 21	Rs 3,000	Due 24 th May 2016
April 27	Rs 1,000	Due 30 th June 2016
May 15	Rs 1,200	Due 18 th July 2016.

Mohan agreed to draw a bill for the total amount due on the average due date. Ascertain that date.

13) M Ltd sold a lorry to Arun on hire purchase system. The cash price was Rs 7, 45,000.

Rs. 2, 00,000 was to be paid as down payment. And the balance in three instalments of Rs. 2, 00,000 each at the end of each year. M Ltd Charge 5% rate of Interest. Arun Depreciate lorry at 10% p.a on reducing balance method. Prepare necessary Ledger accounts in the book of Hire purchaser.

14) On 1st October 2002 Timestar Ltd. purchased a Machine costing Rs. 60,000 and spent Rs. 10,000 for erection and overhauling. On 1st April, 2003, a part of the machine was purchased for Rs. 30,000.

On 1st July 2003, machinery purchased on 1st October 2002 was sold for Rs. 56,000 as it was obsolete. On 1st January 2004, a new machine was purchased for Rs. 15,000. Depreciation was provided annually on 31st December at the rate of 10% p.a. on the original cost of the assets.

Show the Machinery Account for 3 years in the books of the company.

15) A, B and C are in the partnership sharing profit and losses in the ratio of 4:3:2 respectively.

Their balance sheets as on 31.12.2015 stood as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	7,000	Cash	3,000
capital Account		Debtors	2,000
A	8,000	Stock	4,000
B	4,000	Buildings	11,000
C	1,000		
	20,000		20,000

The firm was dissolved on the above date: A Agreed to take over the stock at an agreed value of Rs 3,000 and Debtors at Rs 1,400. The buildings were sold for Rs 5,400. Prepare necessary Ledger Accounts to close the books of the firm.

16) You are given the following particular of a business having three Departments

Particular	Purchase	Opening Stock	Sales
Dept A	200 units	100 units	180 units
Dept B	1,400 units	400 units	1,500 units
Dept C	400 units	60 units	450 units

Additional Information:

- Purchase were made at a total cost of Rs 5,100
 - The percentage of gross profit on turnover is the same in each case.
 - Purchase and sale prices are constant for the last years.
 - Selling price per unit

Dept A	-	15
Dept B	-	18
Dept C	-	6
- Prepare Departmental Trading Account.

17) X Ltd of Chennai has branch at Trichy. It invoices goods to branch at a selling price which is cost plus 33 1/3 %. From the following particulars, prepare Branch Stock, Branch Debtors Accounts and Calculate Gross Profit and Net Profit.

Stock on 1.1.2014 (IP)	30,000
Cash sales	62,000
Debtors on 1.1.2014	22,800
Credit Sales	72,800
Goods invoiced to branch (IP)	1, 34,000
Bad debts	500
Discount Allowed	13,400
Stock on 31.12.2014	26,800
Cash received from Debtors	80,000

SECTION C

Answer any TWO questions.

(2 x 20 = 40 marks)

18) Mr. P Purchased 4 cars for Rs 14,000 each on 1-1-2012 under the hire purchase system. The hire purchase price for all the 4 cars are Rs. 60,000 to be paid as Rs 15,000 down payment and 3 equal Instalments of Rs 15,000 each at the end of each year, interest is charged at 5% p.a. the buyer depreciates the car at 10% p.a. in Straight Line Method. From the above particulars give journal entries and Relevant Accounts in the books of Mr. P and in the books of hire Vendor.

- 19) M/S Vijay cloth store submitted the following particulars and information about their Departmental stores for the year ended 31st Dec 2013.

Particular	Dept A	Dept B	Dept C
Opening Stock	33,000	27,000	1,05,000
Purchases	90,000	60,000	2,25,000
Wages	15,000	9,000	Nil
Sales	1,80,000	1,20,000	2,70,000
Closing Stock	21,000	72,000	81,000

- 1) Expenses paid : Salary- 60,000 Rent - 10,800 Printing - 4,800 Electricity -2,160 Sundry Exp – 2,850
- 2) Transfer from C to A Rs. 6,000 And B Rs. 63,000
- 3) Salaries RS 48,000 was paid to 20 salesmen on a uniform scale. The number of salesmen in A, B & C were 4, 5 and 11 respectively. Allocate the remaining salary in equal proportion to the three departments.
- 4) Space occupied by the departments was equal.
- 5) Printing expenses were to be apportioned in 1:1:2 ratio
- 6) The electricity points in each department were 3, 4 and 9 respectively.

Prepare the departmental Trading and Profit and loss account t for the year.

- 20) X Ltd purchased machinery for 60,000 on 1st July 1984. It on 1st January 1986 purchased machinery for Rs 50,000. On 31 Dec 1985 first Machinery was sold for Rs. 45,000 on the same date they purchased another machinery for Rs 75,000 depreciated at 10% P.A on Diminishing balance Method. Prepare Machinery and Depreciation Account for the first Five Years.

- 21) A, B and C are in the partnership sharing profit and losses in the ratio of 2:2:1 respectively. their balance sheets as on 31.12.2015 stood as follows.

Liabilities	Rs	Assets	Rs
Creditors	4,000	Cash	5,000
capital Account		Debtors	4,000
A	10,000	Stock	5,000
B	4,000	Machinery	9,000
C	2,000	Fixtures	2,000
Reserve Fund	5,000		
	25,000		25,000

They decided to dissolve the business. The following are the amounts realised Machinery 8,500, Furniture 1,500 Stock 7,000 and Debtors 3,700. Creditors allowed a discount of 2% and R agreed to bear all realisation expenses. For this service, A is Paid Rs 120. Actual expenses amounted to Rs 900 which was withdrawn by him from the firm. There was an unrecorded assets of Rs 500 which was taken over by S at Rs 400. Pass Journal entries and Prepare necessary Ledger account.
