

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2015–16 and thereafter)
SUBJECT CODE: 15CM/MC/FA15

B.Com. / B.Com.(C.S) DEGREE EXAMINATION NOVEMBER 2017
COMMERCE
CORPORATE SECRETARYSHIP
FIRST SEMESTER

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

MAX. MARKS: 100

SECTION – A

ANSWER ALL QUESTIONS:

(10 x 2 = 20)

1. What is Capital Expenditure?
2. What is average clause?
3. Define hire purchase system.
4. What is inter-departmental transfer?
5. What is average due date?
6. Find Gross profit:

Opening stock	Rs. 50,000
Purchases	Rs. 2, 80,000
Carriage	Rs 20,000
Sales	Rs. 3, 80,000
Closing stock	Rs . 60,000
7. Goods of the value of Rs.80,000 of M/S MKN Ltd were insured for Rs.70,000. Loss due to fire is assessed at Rs.16,000. Find what claim the insured will get from the insurers.
8. X purchased machinery under hire purchase agreement from Y. The cost price of the machinery was Rs.15,500. The payment was to be made as follows:

On signing the agreement	Rs. 3,000
First year end	Rs..5,000
Second year end	Rs. 5,000
Third Year end	Rs. 5,000

Calculate interest for each year.
9. There are 5 departments in a concern. The total indirect expenses amounted to Rs.12,000. 1/6 of expenses are to be divided equally to all five departments. The remaining expenses are to be shared in the ratio of sales. Sales of various departments were as follows :

Dept.A	Rs.50,000	Dept.B	Rs.40,000	Dept.C	Rs.30,000
Dept D	Rs.20,000	Dept.E	Rs.60,000		

Show the allocation of indirect expenses.
10. Calculate the average due date for the following bills:

Rs.4,000 due on 05.01.2015
Rs.2,000 due on 20.01.2015
Rs.8,000 due on 04.02.2015

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. From the following trial balance of Mr. Hari Balaji , prepare a Trading and Profit and Loss Account and Balance Sheet as at 31st December 2010 :

Particulars	Debit (Rs)	Credit (Rs)
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank balance	4,500	
Cash	2,000	
Stock (1.1.2010)	5,200	
Debtors	2,500	
Creditors		1,000
	66,000	66,000

Adjustments Required:

- Stock on 31.12.2010 Rs. 4,900
- Salaries unpaid Rs.300
- Rent paid in advance Rs.200
- Insurance prepaid Rs.90

12. Find out the claim to be lodged with the insurance company under loss of profit policy:

	Rs
Loss of profit policy amount	21,00,000
Indemnity period 3 months	
Fire occurred on 31.03.2009	
Sales for the year ended 31.12.2008	70,00,000
Sales from 01.01.2009 to 31.03.2009	10,00,000
Sales from 01.01.2008 to 31.03.2008	18,00,000
Standing charges for the year 2008	1,20,000
Profit for 2008	5,00,000
Savings in standing charges because of fire	50,000
Additional expenses to reduce the loss of turnover	1,00,000
(Assume no adjustment has to be made for upward trend on turnover)	

13. Rakesh purchased a motor car from Meenu on hire purchase system. The total cash price of the car is Rs.15,980 payable Rs.4,000 down and three instalments of Rs.6,000, Rs.5,000 and Rs.2,000 payable at the end of first, second and third years respectively. interest is charged at 5 % p.a. Prepare ledger accounts in the books of both the parties. Rate of depreciation is 10% p.a. under SLM.
14. Shridhar has a retail branch in Kanchipuram. Goods are sent by H.O to the branch at selling price which is cost plus 33 1/3 %. All the expenses of the branch are paid by the H.O. All cash collected by the branch from customers and from cash sales is remitted to the credit of H.O. From the following particulars of the branch , Prepare necessary accounts under Stock and Debtors system:

	Rs
Debtors on 1.1.2012	11,400
Inventory on 1.1.2012 (invoice price)	15,000
Inventory on 31.12.2012 (invoice price)	13,400
Goods invoiced to branch	67,000
Cash sales	31,000
Credit sales	37,400
Bd debts written off	250
Discount allowed to customers	300
Expenses at branch	6,700
Cash collected from debtors	40,000

15. Divya drew upon Selvi several bills of exchange due for payment on different dates as under :

Date of the bill	Amount (Rs)	Tenure of the bill
2.10.90	600	3 Months
20.10.90	800	2 Months
10.11.90	1,000	3 Months
27.11.90	750	3 Months
8.12.90	900	1 Month
16.12.90	1,200	2 Months

Find out Average due date.

16. From the following particulars , prepare the departmental trading and profit and loss account for the year ending 31.12.2015:

	Dept . I Rs	Dept.II Rs
Stock 1.1.2015	18,000	16,800
Sales	84,000	72,000
Purchases	54,000	43,200
Direct expenses	10,980	17,040
Postage	720	720
Stock 31.12.2015	21,600	9,600

Indirect expenses for the entire business was Rs.7,800 which are to be divided in the proportion of sales of the two departments.

17. A fire occurred in the premises of a trader on 15.5.2009. A considerable portion of the stock was destroyed. Stock saved from fire was Rs.5,000.

Sales upto the date of fire Rs.8,00,000

Purchases upto the date of fire Rs.5,00,000

Stock on 01.01.2009 Rs.1,50,000

Gross profit ratio 25% on sales.

Find the amount of claim.

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. A fire occurred in the business premises of Mr. Vijayaragavan on 15.10.2012. From the following particulars , ascertain the loss of stock and prepare a claim for insurance:

Stock on 1.1.2011	Rs. 30,600
Purchases during 2011	1,22,000
Sales during 2011	1,80,000

Stock on 31.12.2011	27,000
Purchases from 1.1.2012 to 14.10.2012	1,47,000
Sales from 1.1.2012 to 14.10.2012	1,50,000

The stocks were always valued at 90% of cost . The stock saved from fire was worth Rs.18,000.The amount of the policy was Rs.63,000. There was an average clause in the policy.

19. M/S Marurhu and Co. Ltd has two departments , Cloth and Readymade. The ready made clothes were manufactured by the firm itself out of the cloth supplied by the cloth dept. at its usual selling price. From the following figures, prepare Departmental Trading and Profit and Loss account and General Profit and Loss account for the year ending 31.12.2015:

	Cloth Dept Rs.	Ready Made cloth Dept Rs.
Opening stock on 01.01.2015	3,60,000	60,000
Purchases	29,00,000	20,000
Sales	35,00,000	7,00,000
Transfer to Ready Made Cloth	4,50,000	---
Manufacturing expenses	---	1,40,000
Closing stock on 31.12.2015	1,00,000	48,000

General expenses incurred for both the departments were Rs.1,20,000. The stocks in the Ready made dept. were considered as consisting of $66 \frac{2}{3}$ % cloth and $33 \frac{1}{3}$ % other expenses. The cloth dept. earned profit at 18 % in the year 2014.

20. Kailash purchased four machines of Rs.14,000 each by hire purchase system. The hire purchase price for all the four machines was Rs.60,000 to be paid as Rs.15,000 down and 3 instalments of Rs.15,000 each at the end of each year. Depreciation is written off at 10 % p.a. on SLM.

Down payment and first instalment were paid. On the default of second instalment , vendor took possession of three machines leaving one machine with the buyer. The machines were taken by the vendor at a depreciated value of 20 % p.a. under WDV method. Vendor spent Rs.1,200 on repairs and sold the three machines for Rs.35,000. Give the ledger accounts in the books of Kailash and the vendor.

21. Mr. Mani is in account current with Sekar and the following transactions have taken place between January 1 to April 30:

2015	Rs
Jan 1 Received goods from Sekar due end of February	3,067
Jan 19 Sold goods to Sekar due end of April	1,269
Feb 3 Paid cash to Sekar	1,300
Feb 12 Received goods from Sekar due end of March	4,985
Feb 26 Accepted Sekar's Draft at two months	3,500
Mar 21 Received cash from Sekar	1,900
April 5 Received goods from Sekar due end of July	2,763

Prepare account current to be rendered by Mani to Sekar as at 30th April reckoning interest at 6 % p.a
