

B.Com(A&F) DEGREE EXAMINATION, APRIL 2019
I Year I Semester
Financial Accounting

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer any **TEN** questions

1. What is Book-keeping?
2. What do you mean by Average due date?
3. What is Conversion method in single entry?
4. Calculate gross profit and cost of goods sold: Net sales Rs. 2,00,000, Gross Profit is 25% on cost.
5. The drawings of a proprietor for the year are Rs.30,000. Profit Rs.50,000 and capital at the end Rs.1,40,000. Calculate capital at the beginning.
6. From the following amounts, calculate Average due date.

Amount	Due Date
Rs.1,000	3 rd April
Rs.1,600	2 nd July
Rs.2,000	11 th September
7. A machine was purchased for Rs. 3,000 on 1.1.86. This is expected to last for 5 years. Estimated scrap at the end of 5 years is Rs. 5,000. Find out the rate of depreciation under straight line method.
8. Original cost of plant on 1.1.95 is Rs. 3,00,000. Rate of depreciation is 10% on written down value. Sale value of plant is Rs.1,56,000. Date of sale is 31.12.96. Assuming that the accounts are closed on 31st march each year, Calculate loss on sale of plant under W.D.V method.
9. Stock in the beginning: Rs. 4,000. Stock at the end: Rs. 3,500. Purchases: Rs.20,000. Rate of gross profit on sales is 1/5. Calculate the amount of total sales.
10. Goods of Rs. 80,000 of M/S Raju & Sons are insured for Rs. 70,000 subject to average clause. Loss due to fire is assessed at Rs. 16,000. Calculate what claim the insured will get from the insurers.
11. Ascertain the amount of claim under average clause from the following information: Sum assured: Rs.2,60,000. G.P on the preceding 12 months' sales: Rs. 3,12,000. Total loss of profit Rs. 58,400.
12. What is meant by sale of goods on approval basis?

Section B ($5 \times 5 = 25$) Marks

Answer any **FIVE** questions

13. Explain the different types of Accounting Conventions.
14. Sumathi owes Viji Rs. 950 on January 1, 1998. From the following transactions takes place between them, calculate interest by the average due date method.

January 16 Sumathi buys goods worth Rs. 1,500

February 2 Sumathi receives cash loan Rs. 2,000

March 5 Sumathi buys goods worth Rs. 1,800.

Sumathi pays the whole amount on 31st March, 1998 together with interest @ 5% p.a.

15. Prepare Trading Account of Sherif for the year ending 31.12.1996 from the following information:

	Rs.
Opening Stock	80,000
Purchases	8,60,000
Freight Inward	52,000
Wages	24,000
Sales	14,40,000
Purchase Returns	10,000
Sales Returns	3,16,000
Closing Stock	1,00,000
Import Duty	30,000

16. A fire occurred on 1.9.93 in the godown of Mr. Ganesan. From the following particulars find out the claim to be lodged.

	Rs.
Stock on 1.1.93	25,300
Purchases from 1.1.93 to date of fire	50,400
Sales from 1.1.93 to date of fire	1,56,000
Manufacturing expenses and wages	60,000
Goods taken by Ganesan at cost	2,500
Rate of gross profit on cost is	30%
Value of salvaged stock	3,600

17. From the following particulars prepare a Receipts and Payments A/c.

Cash in hand	100
Cash at Bank	500
Subscription received	3,300
Donation received	260
Investments purchased	1,000
Rent paid	400
General Expenses	210
Postage and Stationery	70
Sundry expenses	30
Cash balance at close	20

18. From the following details, calculate total sales made during the year 1994.

Debtors(1.1.94)	17,425
Debtors(31.12.94)	15,300
Cash received from debtors	49,200
Sales returns	3,700
Bad debts	2,500
Discounts	1,800
Bills receivable	5,000
Cash Sales	12,000

19. Distinguish between Single Entry and Double Entry system.

Section C ($2 \times 15 = 30$) MarksAnswer any **TWO** questions

20. The following is the Trial Balance of Mr. X as on 31.12.1996.

Dr.	Rs.	Cr.	Rs.
Opening Stock	6,200	Sales	82,920
Buildings	34,000	Capital	24,000
Furniture	2,000	Bank Loan	6,000
Purchases	42,400	Sundry Creditors	9,840
Salaries	4,400	Return outwards	840
Rent	1,200	Interest	260
Miscellaneous Expenses	1,000	Dividend	220
Postage	560		
Stationery	520		
Wages	10,400		
Freight on purchases	1,120		
Carriage on sales	1,600		
Repairs	1,800		
Sundry Debtors	12,000		
Bad Debts	240		
Cash in Hand	2,600		
Return Inwards	2,040		
	1,24,080		1,24,080

The value of Stock on 31-12-1996 was estimated at Rs.5,960. Prepare Trading and profit & Loss a/c as on that date.

21. The following is the Receipts & Payments of Delhi Football Association for the year ending 31.12.1987.

Receipts & Payments A/C

Receipts	Rs.	Payments	Rs.
To Donation	50,000	By Pavilion office (Constructed)	40,000
To Reserve Fund(Life membership fees and entrance fees received)	4,000	By Expansion in connection with matches	900
To Receipts from football matches	8,000	By Furniture	2,100
Revenue Receipts:		By Investments at cost	16,000
To Subscriptions	5,200	Revenue Payments:	
To Locker rents	50	By Salaries	1,800
To Interest on securities	240	By Wages	600
To sundries	350	By Insurance	350
		By Telephone	250
		By Electricity	110
		By Sundry expenses	210
		By Balance on hand	5,520
	67,840		67,840

Additional Information:

Subscriptions outstanding for 1987 are Rs.250.

Salaries unpaid for 1987 are Rs.170

Wages unpaid for 1987 are Rs.90.

Outstanding bill for sundry expenses is Rs.40.

Donations received have to be capitalised.

Prepare Income and Expenditure for the year ended 31.12.1987 and the Balance Sheet as on that date.

22. A company purchased a machine on 1-1-93 for Rs.40,000. It purchased another machinery on 1-10-93 for Rs. 20,000 and on 1-07-1994 for Rs. 10,000. On 1-07-1995, $\frac{1}{4}$ th of the machinery installed on 1-1-93 became obsolete and was sold for Rs.6,800. Show how the machinery a/c would appear in the books of the company for all the three years under Diminishing Balance method, assuming accounting year is the calendar year. Depreciation is to be provided at 10% p.a.
23. Mr. X has maintained his books by single entry method. Calculate profit for the year and a statement of affairs at the end of the year.

Rs. 1000 (cost) furniture was sold for Rs. 5,000 on 1.1.88. 10% depreciation is to be charged on furniture. Mr. X has drawn Rs. 1,000 p.m. Rs. 2,000 was invested by Mr. X in 1988 as further capital.

	1.1.88	31.12.88
Stock	40,000	60,000
Debtors	30,000	40,000
Cash	2,000	1,000
Bank	10,000	(o/d)5,000
Creditors	15,000	25,000
Outstanding expenses	5,000	8,000
Furniture (Cost)	3,000	2,000

Bank Balance on 1.1.88 is as per cash book but the bank o/d on 31.12.88 is as per bank statement. Rs.2,000 cheques drawn in Dec. 1988 have not been encashed within the year.