

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN (AUTONOMOUS)
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.

B.Com.(CA) END SEMESTER EXAMINATIONS NOVEMBER-2022
SEMESTER - I

21UCCCT1001 - Financial Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Explain the difference between IND AS and IFRS.
2. Explain the term depreciation? Write its causes.
3. Mohan, a retail merchant commenced business with a capital of Rs.12,000 on 1.1.94. Subsequently on 1.5.94 he invested further capital of Rs.5,000. During the year, he has withdrawn Rs.2,000 for his personal use on 31.12.94, his assets and liabilities were as follows:
Cash at bank Rs.3000,
Debtors Rs.4,000,
Stock 16,000,
furniture Rs.2,000 and
creditors Rs.5,000.
Calculate the profit or loss.
4. Describe the features of instalment system.
5. Explain the difference between receipts and payment account and income and expenditure account.
6. On 15th December, 2021, a fire occurred in the premises of M/s.OM Exports. Most of the stocks were destroyed. Cost of stock salvaged being 1,40,000. From the books of account, the following particulars were available:
(i) Stock at the close of account on 31st March, 2021 was valued at 9,40,000.
(ii) Purchases from 01-04-2021 to 15-12-2021 amounted to 13,20,000 and the sales during that period amounted to 20,25,000.
On the basis of his accounts for the past three years, it appears that average gross profit ratio is 20% on sales. Compute the amount of the claim, if the stock were insured for 4,00,000.
7. Explain the single entry system and State its defects.
8. Mr. X purchased a machine on hire purchase system Rs.3,000 being paid on delivery and the balance in five installments of Rs.6,000 each, payable annually on 31st December. The cash price of the machine was Rs.30,000. Calculate the amount of interest for each year

Section B

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. Explain the accounting concepts and conventions.

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10. Narain's trial balance as on 30th June 1979 was as under:

Debit	Amount	Credit	Amount
Land & Buildings	20,000	Capital	80,000
Machinery	50,000	Sundry creditors	8,000
Furniture and Fixtures	4,000	Discount received	400
Opening stock	16,300	Outstanding expenses	1,550
Purchase	80,000	Sales	1,50,500
Salaries	6,000	Repair and Renewals Provision	6,000
Carriage on sales	1,500		
Freight on purchases	2,000		
Customs duty on purchase	8,000		
Advertising	5,400		
Wages	15,000		
Rent	3,000		
Postage and Stationery	1,500		
General Expenses	3,200		
Repairs to machinery	2,000		
Loan to Kumar @9% given on 1 st Jan 1979	5,000		
Prepaid Insurance	200		
Sundry Debtors	20,000		
Cash in hand	250		
Cash at bank	3,100		

The following further information is given:

- Stock on 30th June 1979 was Rs.14,900.
 - Machinery was purchases on 1st Jan 1979 for Rs.10,000 and wages for installed by own workmen. The wages for this purpose amounted to Rs.500. The amount is included in wages account.
 - Depreciation is to be written off @ 3% on land and building, 10% on Machinery and 5%on furniture and fixtures.
 - A provision for repairs and renewals is credited with Rs1500 every year.
 - A reserve of 2% is to be made on creditors of discount. From this above information, Prepare Trading and Profit & Loss Account for the year ended June 30th 1979 and Balance Sheet as on that date.
11. On 1st April 2006 M Ltd., Purchased machines for Rs.20,00,000. The Company also purchased a machine for Rs.5,00,000 on 1st April 2007. On 1st October 2008 part of machine purchased for Rs.7,00,000 on 1st April 2006 was sold for Rs.4,50,000 and 1st January 2009 the machine purchased On 1st April 2007 was sold for Rs.4,70,000. Prepare the machinery account With the assumption that depreciation is provided on straight line basis @ 10% per annum.

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12. From the following information prepare Trading and profit & loss a/c for the year end 31-12-1970 and balance sheet on that date.

Cash received from debtor	80,000
Cash sales	30,000
Payment to Creditors	40,000
Cash Purchase	25,000
Interest on bank (Overdraft)	1,500
Salaries	5,000
Drawings	4,000
General Expenses	8,000
Rent	2,200
Discount allowed to Debtors	4,000
Discount earned from Creditors	2,500

Goods worth Rs.3,000 were returned by the customers and goods worth Rs.1,500 return to suppliers.
On 1.1.1970, the assets and liabilities as follow Stock 50,000

Machinery	60,000
Sundry Creditors	30,000
Sundry Debtors	60,000
Furniture	5,000
Bank O/D	10,000
On 31 Dec. 1970 his position was as follows	
Stock	45,000
Sundry Debtors	70,000
Bills Receivable	6,000
Bills Payable	4,000
Machinery	60,000
Furniture	5,000
Sundry Creditors	25,000
Salary Outstanding	500

Depreciation on machinery at 10% and Furniture at 6%

13. P purchased 4 cars of Rs.14,000 each on 1.1.2008 under the hire purchases system. The hire purchases price of all the 4 cars was Rs.60,000 to be paid as Rs.15,000 down payment and three equal installments of Rs.15,000 each at the end of each year. Interest is charged at 5% p.a. The buyer depreciates the cars at 10% per annum on the straight line method. Give journal entries in the books of Mr. P.
