

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION DECEMBER 2018
(Second Semester)

Branch - **CORPORATE SECRETARYSHIP**

FINANCIAL ACCOUNTING -II

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Which kind of business use single entry system?
- 2 State any two limitations of single entry system of accounting.
- 3 Write a short note on hire purchase system.
- 4 Give two differences between hire purchase sale and instalment sale.
- 5 What do you mean by account current?
- 6 What is average due date?
- 7 What do you mean by Minimum rent?
- 8 Give any two differences between Royalty and rent.
- 9 Name the various standard accounting vouchers used in tally accounting.
- 10 What do you understand by stock groups?

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Enumerate the difference between Single Entry & Double entry.

OR

- b Ascertain credit Purchase and credit sale from the following :

Sundry debtors on 01.01.2004	12800	Sundry creditors on 01.01.2004	7600
Sundry debtors on 31-12-2004	9800	Sundry creditors on 31.2.2004	9030
Cash received from debtors	6400	Cash Paid to creditors	1750
Discount received	' 250	Discount allowed	350
Acceptances given to creditors	5870	Bills received from Debtors	2500
Bad Debts	300	Bills dishonoured by Debtors	400

Mr Prakash purchased 4 machines for Rs 14000 each on 01.01.2012 under the hire purchase system. The hire purchase for all the 4 machines were Rs60000 to be paid as Rs 15000 down payment and 3 equal instalments of Rs 15000 each at the end of each year. Interest is charged @5%p.a Prakash depreciates the machine at 10% on straight line basis. Calculate the interest and prepare the machine ledger and hire vendor ledger in the books of Prakash.

OR

- b Mr G purchased a plant under hire purchase agreement from Vasanth & Co. the cash price of the machine was Rs. 15500 the payment for the purchase to be made as under :

On signing the agreement -Rs 3000, end of first year - 5000, end of the second year -5000, end of third year Rs 5000. Make necessary journal entries in the books of Mr Vasanth.

- 13 a A Company leased a colliery on 1.1.2012 at a minimum rent of Rs. 20000 per year merging into a Royalty of Rs 1.50/ ton with a power to recoup short working over the first 3 years of the lease. The output of the colliery for the first four years is :
2012 : 9000 tons, 2013 : 12000tons, 2014 : 16000, 2015 : 20000. Pass journal entries and show the calculations.

OR

- b Sita Ram tile Industry Ltd obtained a lease of land from land lord for a period of Four years from jan 1 2002 paying a minimum rent of Rs 8000p.a merging in a royalty of 50 Paise per ton of clay raised. The lease contained a clause to the effect that if the minimum rent paid in any year exceeds the royalty for the year, the amount of excess can be recouped by the lessee out of the royalty payable in the following year only. Clay is raised as follows:

2002 - 2000 tons, 2003 - 10000tons, 2004 - 20000, 2005 - 32000tons.
Pass journal entries in the books of the lessee.

- 14 a Mr Komal had accepted the undermentioned bills payable to Suman.

Date of acceptance	Term	Amount
15.09.2004	2 months	2000
10.10.2004	2 months	4000
30.11.2004	3 months	5000
10.12.2004	3 months	6000
.30.12.2005	2 months	3000

Komal desires to pay the aggregate of the amount of all the bills on such a date that would involve no profit or loss in either of them and suman agrees . Find out the date of his proposed payment.

OR

- b On 1st jan 2015 Mr. Arun owed Rs. 3000 to Mr. Babuji on account. During the six months ended 30th June 2015 the following transactions took place.

Date of the transaction	Particulars	Amount
1 Jan 2015	Goods sold to Arun	4000
1 Feb 2015	Amount received from Arun	3000
1 Mar 2015	Goods sold to Arun	5000
1 April 2015	Arun sold goods to Babuji	3500
1 May 2015	Goods sold to Arun	2500
1 June 2015	Cash received from Arun	4000
30 June 2015	Cash received from Arun	1000

Prepare account current to be rendered to Arun on 30June 2015. Interest to be calculated @12% per annum (In months).

- 15 a How do you create a Stock Group - computers, printers and peripherals?

OR

- b What are the details that can be got from the Voucher entry Screen?

SECTION - C (30 Marks)Answer any **THREE** Questions**ALL** Questions Carry **EQUAL** Marks (3x10 = 30)

Mr. Krishna a retail trader, maintains his books in single entry. Prepare the trading and profit and loss account for the year ended 30.09.14 and a balance sheet as on that date.

All cash received during the year was deposited into bank account and all payments were by Cheques. The details are as follows:

Bank Balance 1.10.2013	524	Loan from SBI	2800
Cash Sales	33312	Drawings	4160
Purchased new machine	2000	Rent and rates	1800
Miscellaneous Expenses	3252	Received from customers	14324
Wages Paid	5334	Paid to creditors	32032

The following details relate to the year beginning and closing balances of assets and liabilities.

Particulars	01.10.2013	30.09.2014
Machines	9000	10100
Sundry Debtors	3256	3720
Outstanding Expenses	240	300
Stock in Hand	4320	4930
Trade creditors	1720	1848
Rent outstanding	-	500

Bad debts Rs 840. Discount received from creditors and allowed to debtors on cash transactions amounted to Rs 1308 and Rs 630 respectively.

Malathi purchased a machine on hire purchase system from GBS Systems on 1.4.2015. The terms of payment are four instalments of Rs 12690 at the end of each year. Interest is charged at 5% and is included in the annual payment of Rs 12690. Show Machinery account and hire vendor account in the books of Malathi who defaulted the third yearly payment upon which GBS Systems Repossessed the machinery. Malathi provides depreciation on the machine at 10% on the reducing balance method.

Arunkumar owned certain patent rights. He granted a license to Banwari Lai to use such rights on a royalty basis. The following are the relevant particulars.

Year	Minimum rent	Royalty earned
2001	1750	1500
2002	2000	1800
2003	2250	1900
2004	2500	2750
2005	2500	2600

The deficiency of any year is to be set off against the excess payable within the next two year. Pass necessary ledgers in the books of Banwari lai.

Mr. Shayam opened a current account with Nedungadi Bank on 1st Jan 2016 and deposited 7000. his deposits during the period were:

Jan 25 - 1500, April 15- 2500, May 26-800, June 20 - 2000.

His withdrawals were : Jan 20 - 4000, Feb 10 - 3000, Mar 5 - 2000 , May 20 - 1800 , June 8 - 2750. Calculate interest at 10% p.a on the customers debit balances and 6% p.a on credit balances and close the books of account on 30.6.2016.

Explain on the F1 features and F2 features in Tally.