

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom(CS) DEGREE EXAMINATION MAY 2017
(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 (10x2 = 20)

Write short notes:

- 1 What is single entry?
- 2 Name any two defects of single entry system.
- 3 What is hire purchase system?
- 4 Name any two advantages of hire purchase system.
- 5 What is royalty?
- 6 What is dead rent?
- 7 What is average due date?
- 8 What do mean by red ink interest?
- 9 What is an inventory voucher?
- 10 What is accounting information?

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5x5 = 25)

- 11 a From the following information calculate total sales

	Rs.
Opening balance of sundry debtors	20,000
Cash received from debtors	2,05,000
Bill receivable received during the year	5,000
Closing balance of sundry debtors	24,000
Bad debts written off	2,500
Discount allowed	1,000
Sales return	2,500

OR

- b Mr. X keeps his books under single entry system. He started the business on 1-1-2015 with capital of Rs. 1,00,000. On 31-12-2015 his position was as under

Assets	Rs.	Liabilities	Rs.
Cash	2,500	Sundry creditors	20,000
Bank	5,000	Bill payable	2,500
Furniture	12,500	Out standing exp	2,500
Plant	50,000		
Sundry debtors	25,000		
Stock	45,000		
Bill receivable	5,000		

Ascertain the profit or loss.

Cont...

12 a On 1-1-2006, X purchased machinery on hire purchase system. The payment is to be made Rs. 4,000 down and Rs. 4,000 annually for three years. The cash price of the machinery is Rs. 14,900 and the rate of interest is 5%. Calculate the interest in each year's instalments.

OR

b X purchase a typewriter on hire purchases system. As per term, he is required to pay Rs. 800 down Rs. 400 at the end of first year, Rs. 300 at the end of second year and Rs. 700 at the end of third year. Interest is charged at 5% p.a. Calculate the total cash price of the typewriter an the amount of interest payable in each instalments.

13 a Write short notes on (i) Short working (ii) Royalty recoupment.

OR

b X Co Ltd took from Mr. A, a lease of a mine for a period of 25 years from 1-1-2010, on a royalty of Rs. 5 per tonne of minerals raised with a minimum rent of Rs. 20,000 an power to recoup short working during first five years of lease. The annual output were as follows:

Year:	2010	2011	2012	2013	2014
Tonnes :	2,000	3,000	4,000	4.500	5,000

Show the table for calculating royalty.

14 a Mr. A had obtained the following amounts as a loan from Mr. X. Their due date are also give below. Mr. A wants to settle the loan in one instalment without loss to both of them calculate average due date

Amount	Due Date
400	05-01-2008
200	20-02-2008
800	04-02-2008
100	26-02-2008
50	10-03-2008

OR

On 1-7-2005 Mr. A owes to Mr. R Rs. 6.000. the following transaction were carried out during the period of 6 months ending 31-12-2008.

Date	Transactions	Amount
01-07-2008	Sales made to A	8,000
01-08-2008	Amount received from A	6,000
01-09-2008	Sales made to A	10,000
01-10-2008	Goods sold by A to R	7,000
01-11-2008	Sales to A	5,000
01-12-2008	Cash received from A	8,000
30-12-2008	Cash received from A	2,000

Prepare the account current as on 31-12-2008 an calculate interest @ 12% p.a.

15 a Explain the concept of alternation of groups.

OR

b Write a short note on "voucher".

Cont...

SECTION - C (30 Marks)

Answer any THREE Questions

ALL Questions Carry EQUAL Marks (3 x 10 = 30)

Mr. X commenced business on 1-1-2015. With a capital of Rs. 25,000. He immediately purchased furniture for Rs. 4,000. During the year he borrowed Rs. 5,000 from his wife and introduced a further capital of Rs. 2,000. He has withdraw Rs. 600 at the end of each month for the family expenses. From the following particulars obtained from his book you are requires to prepare trading and profit and loss account and balance sheet as on 31 -12-2015.

Particulars	Amount
Sales (including cash sales Rs. 30,000)	1,00,000
Purchases (including cash purchases Rs. 10,000)	75,000
Carriage	700
Wages	300
Discount allowed to customers	800
Salaries	6,200
Bad debts	1,500
Trade expenses	1,200
Advertisement	2,200

Mr. X has used goods worth of Rs. 1,300 for personal use and paid Rs. 500 to his son which is not recorded any where on 31-12-2015 his debtors were Rs. 21,000 creditors Rs. 15,000 and stock in trade Rs. 10,000. Depreciate furniture at 10% p.a.

Mr. A purchased a truck for Rs. 1,60,000 from Tata Motors on 1-1-2014 payments to be made Rs. 40,000 down and Rs. 46,000 at the end of first year Rs. 44,000 at the end of second year and Rs. 42,000 at the end of third year interest was charged at 5%. Depreciates the truck at 10% p.a. on written down value method.

Mr. A after having paid down payment and the first instalments at the end of first year, could not pay the second instalments. The seller took possession of the truck and after spending Rs. 4,000 on repairs of the truck sold it away for Rs. 91,500. Give ledger account in the books of both the parties.

Mr. M acquired the rights to manufacture and sell locks from Mr. Y he has to pay a royalty of Rs. 5 for each lock with a minimum annual payment of Rs. 50,000 amount are settled on 31st December. The number of locks manufactured and sold were as follows;

Year:	2000	2001	2002	2003
Number of locks:	8,000	9,000	11,000	18,000

Prepare necessary ledger account in the books of Mr. M.

Mr. Q involved in the following transaction with Mr. S in the year 2008

Date	Transactions	Amount
1-07-2008	Balance payable by Mr. S	900
15-07-2008	Sold goods to S	2,850
10-08-2008	Cash received from S	1,650
19-08-2008	Purchase from S	1,050
03-09-2008	Goods returned to S	450
16-09-2008	Cash received from S	750

Prepare account current, which Mr. Q prepare and sent
23-09-2008. Calculate interest @ 10% p.a.

Explain the procedure for creating a company and discuss the steps for altering the company details with password.