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PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION MAY 2017
(First Semester)

Branch - CORPORATE SECRETARYSHIP .

FINANCIAL ACCOUNTING -1

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer ALL questions

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

Write short notes : •

- 1 Write short note on 'operating expenses'.
- 2 What are the classification of liabilities?
- 3 What do you understand by 'Normal Loss' on consignment?
- 4 What is an 'Abnormal Loss' on consignment?
- 5 What is a 'Joint Bank Account'?
- 6 Write short note on 'Unsold stock at the end of a joint venture'.
- 7 Give any 3 benefits of preparing self balancing ledgers.
- 8 What is 'General Ledger Adjustment Account'?
- 9 What is the treatment of 'Donations'?
- 10 Write short notes on 'Capital Fund'? * *

SECTION - B (25 Marks!)

Answer ALL Questions

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

- 11 a Prepare a trading a/c of a merchant for the year ending 31-12-2006 from the following data :

	Rs.
Opening stock (1-1-2006)	50,000
Good purchased during 2006	2,80,000
Freight and packing on the above	20,000
Closing stock (31-12-2006)	.60,000
Sales	3,80,000
Packing expenses on sales for distribution	12,000

OR

- b Prepare Trading Account of Aburva 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 return	3,16,000
Closing stock	1,00,000
Import duty	30,000

- 12 a Salem of Karur sends goods amounting to Rs. 25,000 to Mathur of Kanniyakumari on consignment basis. He pays Rs. 1,000 as forwarding expenses. The goods are received by Mathur who spends Rs. 500 for carriage.

Mathur sells the goods for Rs. 32,000 for which he incurs selling expenses of Rs. 1,500. He is entitled to a commission of 10% on the gross sale proceeds. Mathur settles the account by a bill.

12 Cont...

OR

- b Preethi consigned 200 boxes of medicines @ Rs. 100 per box to Sibi. He incurred the following expenses :

Insurance - Rs. 1,000

Loading charges - Rs. 1,600

Freight charges - Rs. 1,400

An account sales was received from Sibi which showed that 160 boxes were sold @ Rs. 200 per box. Sibi incurred the following expenses :

Clearing charges - Rs. 1,000

Godown rent - Rs. 400

Advertisement - Rs. 600

Other selling expenses - Rs. 1,000

Ascertain the value of stock on consignment.

- 13 a Sunil and Hanu entered into a joint venture of repairs for Housing Quarters at an agreed price of Rs. 10,000. Hanu supplied materials for Rs. 6,000 and supplied equipments for Rs. 1,000. Sunil has also taken back the equipment at the end at an agreed value of Rs. 500.

Prepare joint venture a/c in the book of Hanu.

OR

- b Write any 5 differences between joint venture on consignment.

- 14 a From the following information, prepare sales ledger adjustment a/c :

1-1-2009 Balance of debtors	Rs. 20,000
31-12-2009 Sales	Rs. 50,000
Cash received from debtors	Rs. 15,000
Bills received from debtors	5,000
Sales return	1,000
Discount allowed	* 500
Transfer to bought ledger	100

OR

- b* Write any 5 benefits of maintaining self balancing ledgers.

- 15 a From the following, find out the subscription to be shown in the income and expenditure a/c for the year ending 31-12-2010:

Subscription received for 2009 Rs. 80 ,

Subscription received for 2010 Rs. 4,220

Subscription received for 2011 Rs . 160

There are 450 members, each paying an annual subscription of Rs. 10, Rs. 90 were in arrears for 2009 at the beginning of 2010.

OR

- b From the following details, prepare receipts & payments a/c of the Pune Sports Club for the year ended 31-12-2009 :

	Rs		Rs
Balance on 1-1-2009	6,000	Subscription for 2008	4,000
Entrance fees	11,000	Subscription for 2009	3,38,000
Rent paid	1,04,000	Subscription for 2010	6,000
Stationery purchased	61,360	Interest paid	30,000
Billiards table purchased	78,000	Donations	10,000
Wages paid	1,06,600	Special subscription for annual day party	69,000
Repairs & Renewals	16,120		

Cont...

SECTION - C (30 Marks)Answer any **THREE** Questions**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 The following are the balances extracted from the books of Gem as on 31-12-2009. Prepare Trading, Profit account for the year ending and balance sheet :

Trial balance as on 31-12-2009

	Rs		Rs
Drawings	4,000	Capital	20,000
Cash in hand	6,500	Sales	16,000
Cash at bank	1,700	Sundry creditors	4,500
Wages	1,000		
Purchases	2,000		
Stock 1-1-2009	6,000	■	
Building	10,000		
Sundry debtors	4,400		
B/R'	2,900		
Rent	450		*
Commission	250		
General expenses	800		
Furniture	500		
-	40,500	•	40,500

The following adjustments are to be made :

- Stock on 31-12-2009 was Rs. 4,000.
 - Interest on capital at 6% to be provided
 - Interest on Drawings at 5% to be provided
 - Wages yet to be paid Rs. 100
 - Rent prepaid Rs. 50
- 17 Madras Simon & Sons consigned 50 case of goods @ Rs. 200 each to Theni Nadhu & Co. Madras Simons & Sons paid Rs. 200 as insurance and Rs. 300 as freight. Nadhu sold the goods for Rs. 24,000 and paid Rs. 520 for carriage and Rs. 130 for Godown rent. Nandhu & Co is eligible for 4% commission on gross sales. Nandhu & Co. sends cheque for the balance due. Show the journal entries and Nandhu & Co account in the books of M/S Madras Simon & Sons.
- 18 G and B jointly underwrite and place on the market 1,00, 000 shares of Calcutta Machineries Ltd. of Rs. 10 each. It was agreed with the company that they would be allotted 4,000 shares as fully - paid towards their remuneration. Their profit sharing ratio is 2 : 1. Application were received from the public only for 90,000 shares. G paid Rs. 8,000 for postage and advertisement in addition to 70% of the amount required to take up the short subscription. B financed the balance amount. These are accounted for through the Joint Bank account. All the shares including those allotted for remuneration were sold. G sold 6,000 shares for Rs. 70,000 and B sold the balance shares for Rs. 96,000. B incurred expenses Rs. 4,000. Sales proceeds were retained individually. Show necessary account in the books of co-ventures, which were separately started for the purpose. The account was settled through the joint bank account.

19 From the following details, prepare the purchase ledger adjustment a/c in General ledger and General Ledger Adjustment a/c in purchase ledger for the year 2012 :

	Rs		Rs
Purchase ledger balance on 1-1-2012 (Cr)	20,000	Cheque paid to creditors	30,000
Purchase ledger balance on 1-1-2012 (Dr)	10,000	Cheque dishonored	1000
Purchase from creditors	1,80,000	Foods returned to creditors	10,000
B/P accepted	40,000	Discount allowed by creditors	2,000
Cash paid to creditors	1,00,000	Interest on suppliers accounts due	1,000
		B/P dishonored	4,000

20 The following is the receipts and payments account of Guru club for the year ended 31st Mar 2012 :

Receipts	Rs	Payments	Rs
To Balance b/d	7,000	By Salaries	28,000
To Subscription		By General expenses	6,000
2010- 11 5,000		By Electricity	4,000
2011 -12 20,000		By Books purchased	10,000
2012- 13 4,000		By Periodicals purchased	8,000
	<i>p</i>	By Loan repaid .	20,000
	29,000	By Balance c/d	4,000
To Rent for use of conference room	14,000		
To Receipts from entertainment facilities	28,000		
To Sales of old magazines	2,000		
	80,000		80,000

Additional Data :

- The club has 50 members, each paying Rs. 500 p.a as subscription.
- Subscription outstanding on 31-3-2011 - Rs. 6,000.
- Salaries outstanding Rs. 2,000. Salaries paid include Rs. 6,000 for 2010-11.
- On 1-4-2011, the clubs properties were : Building Rs. 2,00,000, Furniture & Fitting - Rs. 20,000 and Books Rs. 20,000.
- Provide 10% depreciation on Building & Furniture
Prepare Income and expenditure a/c for the year ending 31-3-2012 and balance sheet on that date.

Z-Z-Z

END