

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2022
(Second Semester)

Branch – **COMMERCE (COST AND MANAGEMENT ACCOUNTING)**
FINANCIAL ACCOUNTING

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. The person who sends the goods is -----
(i) Consignee (ii) Agent (iii) Consignor (iv) Manager.
2. Royalty is the agreement between _____.
(i) Seller and buyer (ii) banker and customer
(iii) Trustee and beneficiary (iv) landlord and tenant.
3. The person who draws the bill is -----
(i) Drawer (ii) Drawee (iii) Debtor (iv) Agent.
4. If the hire purchaser fails to make payment of any installment, it is called -----.
(i) Default. (ii) repossession. (iii) sale. (iv) Purchase.
5. Repairs to machines in different departments are allocated on the basis of _____.
(i) Number of machines (ii) Area occupied
(iii) Actual cost of repairs (iv) Horse Power.

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

One question from each unit with either or type (5 x 3 = 15)

6. a. Prem consigned 200 boxes of Medicine @ ₹ 100 per box to Ram. He incurred the following expenses: Insurance ₹ 1000, Loading charges ₹ 1600, and freight ₹ 1400.
An account sales was received from Ram which showed that 160 boxes were sold at ₹ 200 per box. Ram incurred the following expenses: Clearing charges ₹ 1000, Godown rent ₹ 400, Advertisement ₹ 600, and other selling expenses ₹ 1000. Ascertain the value of stock on consignment.
OR
b. Narrate the Features of joint Venture.
7. a. X, the owner of a coal mine has leased out his mine to Y on the stipulation that royalties will be Re.1 per tonne sold subject to a minimum rent of Rs.10000. the actual sales were 7000 tonnes. Shortworkings if any is irrecoverable. Pass entries in the books of Y.
OR
b. Recall the purpose of sending goods on approval basis to customers.
8. a. Mr. Ravi draws a Bill for Rs. 2,000 on Gopal on 15th September for three months. On maturity, Gopal failed to honour the Bill. Pass the necessary journal entries in the books of Raj and Gopal, if he had retained the Bill with him till maturity.

OR

Cont...

b. Calculate average due date from the following details of a trader:

Date of bill	Amount of bill (Rs.)	Due Date
1.4.90	800	6.6.90
30.4.90	1000	3.8.90
3.6.90	400	6.7.90
15.6.90	600	18.9.90

9. (a) Bring out the types of Repossession under Hire Purchase system.

(OR)

(b) On 1.1.2014, X purchased machinery on hire purchase system. The payment is to be made Rs. 4,000 down (on signing of the contract) 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 instalment.

10. (a) The following information relates to Madurai branch

	Rs.	Rs.
Stock on 1.1.2014		11,200
Branch debtors on 1.1.2014		6,300
Goods sent to branch		51,000
Cash sent to branch for :		
Rent	1,500	
Salaries	3,000	
Petty cash	500	
		5000
Sales at branch :		
Cash	25,000	
Credit	39,000	
		64000
Cash received from debtors		41,200
Stock on 31.12.2014		13,600

Prepare branch account for the year ending 31.12.2014.

OR

(b) From the following information, prepare a departmental Trading accounts of X Ltd., which has two departments, A and B.

Particulars	Dept. A	Dept. B
	Rs.	Rs.
Opening stock	5,000	4,000
Sales	1,00,000	2,00,000
Purchases	75,000	1,50,000
Sales returns	10,000	8,000
Closing Stock	4,000	3,000
Wages	3,000	4,000
Carriage inwards	1,000	2,000.

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

One question from each unit with either or type (5 x 6 = 30)

11a. On 1st July 2001, Balu of Calcutta consigned 50TV sets costing 2500 each to Somu of Madurai, invoiced proforma at Rs.3000 each. The freight and insurance amounted to Rs.2800. At the same time Balu drew a bill on Somu at 3 months for Rs.75000 which has been discounted with bankers @ 5% p.a. The bill was duly honoured by Somu on the due date.

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On 1st Oct 2001, Somu sent an account sales showing that 25 sets were sold at Rs.3100 each and 20 other sets at Rs.3000 and five remaining unsold. The expenses at Madurai amounted to Rs.700 on godown rent and advertisements. Somu is entitled to a selling commission of 5%. He has also sent the balance amount due by means of bank draft. Prepare the necessary ledger accounts in the books of Balu.

OR

b. Summarize the features of Joint venture

12 a) A company acquired lease of mine at minimum rent of Rs.10000 p.a. The royalty was fixed at Re.050 per tonne. Shortworkings could be recouped within three following the year in which the shortworkings occur. If there is stoppage of production due to strike in any year the minimum rent would be proportionately reduced in regard to the length of the stoppage. The output (in tonnes) of the mine was as follows:

2008	8000	2011	26000
2009	12500	2012	17000 (strike)
2010	21500	2013	30000

During 2012, there was strike lasting for 3 months. Show the necessary ledger accounts for each of the years in the books of the company.

OR

b. Mr.N wrote a book on Management and got it published with M/s. Nachiar publications on the terms that royalties will be paid at Rs.5 per copy sold subject to a minimum amount of Rs.15000 with a right of recoupment of shortworkings over the first three years of the lease. From the following prepare (i) Royalty A/c (ii) Shortworkings A/c (iii) Mr.N's A/c. The other details are:

Year	No.of copies printed	Closing stock
2001	2000	100
2002	3000	200
2003	4000	400
2004	5000	500

13 a. Gani sold goods to Mani for ₹ 3000 on credit on 1.4.2009. For this purpose, Gani drew a bill on Mani for ₹ 3000 for 3 months. Mani accepted the same and returns it to Gani. On maturity, the bill was dishonoured by Mani. Show the entries in the books of Gani under the following circumstances:

- If Gani retained the bill till maturity.
- If Gani discounted the bill by the bank at 18% p.a.
- If Gani endorsed the bill to his creditor Anil
- If Gani sent the bill to the bank for collection.

OR

b. Mohan owed Somesh Rs.3000 on 1st January, 2003. From January to March, the following transactions took place between Mani and Somu:

Date	Particulars	Rs.
January 16	Somu sold goods to Mohan	2000
January 29	Somu purchased goods from Mohan	1500
February 10	Somu pays cash	1500
March 7	Mohan accepts a bill drawn by Somu for one month	2000

Mohan pays the whole amount on 31st March 2003 together with interest at 6% p.a. Calculate interest by the Average due date

Cont...

14.a. Kumar purchased a Motor Van for Rs.42000 payment is to be made as Rs.10000 down and four instalments of Rs.10000 each at the end of each year. Interest is charged at 10% p.a. Buyer depreciates the Motor Van at 10% p.a. on written down value method. Kumar after having paid the down payment and first instalment at the end of first year, could not pay the second instalment and hire vendor took possession of the van. The hire vendor after spending Rs.1280 on repairs of the Van sold it for Rs.31000.

Prepare the necessary ledger accounts in the books of Hire Vendor.

OR

b. Distinguish between Hire Purchase System and Instalment Purchase System.

15 a. From the following particulars relating to Trichy branch prepare the Branch Accounts in the books of the Head office for the year ending 31.12.2012.

Particulars	Rs	Particulars	Rs
Stock on 1.1.2012	30000	Bad Debts written off	300
Debtors 1.1.2012	12000	Discount allowed to customers	100
Petty cash 1.1.2012	200	Branch expenses paid by H.O	3000
Goods sent to Branch	50000	Petty cash sent to Branch	500
Goods returned to H.O	600	Petty expenses at branch	400
Cash Sales	30000	Furniture purchased by branch	1000
Credit Sales	42000	Stock 31.12.2012	12500
Sales return at branch	250	Cash collected from Debtors	40000

OR

b. The following purchases were made by a business house having three departments

Department A: 1000 units

Department B: 2000 units

Department C: 2400 units

at a total cost of Rs.100000

Stock on 1st January: Department A: 120 units

Department B: 80 units

Department C: 152 units.

Sales were: Department A: 1020 units at Rs.20 each

Department B : 1920 units at Rs.22.50 each

Department C: 2496 units at Rs.25 each.

The rate of gross profit is same in each case. Prepare Departmental trading a/c.

Z-Z-Z

END