

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom (CS) DEGREE EXAMINATION MAY 2022
(Second Semester)

Branch –CORPORATE SECRETARYSHIP

FINANCIAL ACCOUNTING - II

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

1. The single entry system cannot be adopted by
 - a. Sole proprietorship
 - b. Partnership concern
 - c. Joint Stock Companies
 - d. HUF
2. The advance amount under hire purchase is called
 - a. Cash price
 - b. Retail price
 - c. Interest
 - d. Down payment
3. What is another term of minimum rent?
 - a. Fixed and copy right
 - b. Dead rent and Fixed rent
 - c. Patent and copy right
 - d. Fixed and dead rent
4. The account maintained by a businessman with his bank is known as
 - a. Current account
 - b. Account current
 - c. Recurring deposit account
 - d. Savings account
5. Tally packages is developed by
 - a. Petronics
 - b. Tally solutions
 - c. Coral software
 - d. Vedika softwares

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

6. a) State the Objectives of Accounting Standards.

(Or)

- b) Mr. Mano keeps his books on single entry basis. His financial position on 31.12.2016 and 31.12.2017 was as follows:

Particulars	2016 (Rs)	2017 (Rs)
Cash	9,860	800
Stock	38,520	57,020
Plant and Machinery	54,420	61,000
Bills Receivable	-----	16,480
Sundry Debtors	24,840	43,940
Sundry Creditors	72,040	80,000
Furniture	4,960	5,220
Drawings	-----	5,000

During the year he introduced additional capital of Rs.20,000. From the above particulars prepare a statement of Profit and Loss of Mr. Mano for the year ended 31.12.2017

Cont...

7. a) X Purchased a machine on hire purchase system Rs.3,000 being paid on delivery and the balance in five instalments 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.

(Or)

b) On 1.1.2015 Y bought some trucks under hire purchase system for Rs.51,000 payable by three equal instalments combining principal and interest, the later being a normal rate of 5% p.a. Calculate the cash price.(the present value of an annuity of one rupee for three years at 5% is Rs.2.72325)

8. a) A company leased a mine on 1.1.2017 at a minimum rent of Rs.20,000 merging into a royalty of Rs.1.50 per tonne with power to recoup short workings over the first four years of the lease. The output of the mine for the first four years was 9,000 tonnes, 12,000 tonnes, 16,000 tonnes, 20,000 tonnes respectively. Prepare Short working A/C & Landlord A/C in books of lessee.

(Or)

b) A company leased a colliery from the Swatantra coal ltd on 01.01.2015 at a minimum rent of Rs. 40,000 merging into a royalty of Re.1 per ton with power to recoup short workings over the first three years of the lease. The output for the first four year was 18,000 tons, 32,000 tons, 48,000 tons and 38,000 tons respectively. Pass journal entries in the books of Swatantra coal ltd for four years.

9. a) Kannan purchased goods from Raman, the due dates for payments in cash being as follows:

Dates	Rs	Due date
March 15	1,000	April 18
April 21	1,500	May 24
April 27	500	June 30
May 15	600	July 18

Find out the Average due date.

(Or)

b) The following are the series of transactions between Anbu & Balu for the three months ending on 31.3.19. Calculate the amount of interest to be paid by one party to the other at 10% p.a., using époque method.

01.1.19	Balus opening balance (Dr)	Rs.10,000
10.1.19	Sold goods to Balu	Rs.20,000
15.1.19	Cash received from Balu	Rs.20,000
15.2.19	Sold goods to Balu	Rs.20,000
01.3.19	Cash received from Balu	Rs.10,000

10. a) What is Tally and point out the features of Tally?

(Or)

b) Narrate the ledger you can make in Tally ERP 9

SECTION – C (30 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks. (5 x6 =30)

11. a) Distinguish between single entry and double entry system.

Cont...

(Or)

b) . Mr. X keeps his books under single entry system. From the following prepare Trading and profit and loss and Balance sheet as on 31.3.15

Particulars	Rs.	Particulars	Rs.
Interest charges	100	Balance at bank (31.3.15)	425
Personal withdrawals	2,000	Cash in hand (31.3.15)	75
Staff salaries	8,500	Received from debtors	25,000
Other business expenses	7,500	Cash sales	15,000
Payment to creditors	15,000		

Further details available are:

Assets & Liabilities	As on 31.3.14 (Rs)	As on 31.3.15(Rs)
Stock in hand	9,000	10,220
Creditors	8,000	5,500
Debtors	22,000	30,000
Furniture	1,000	1,000
Office Premises	15,000	15,000

a) Provide 5% Interest on X Capital balance on 1.4.14. b) Provide Rs.1,500 for doubtful debts c) 5% group incentives commission to staff has to be provided for on net profit after meeting all expenses and the commission d) 5% depreciation on all fixed assets.

12. a) Malan purchased a machinery on hire purchase system on 1.1.18. The terms of payments are four annual instalments of Rs.12,690 at the end of each year. Interest is charged at 5% and is included in the annual payment of Rs.12,690.

Show Machinery Account and Hire vendor Account in the books of Malan who defaulted in the payment of the third yearly payment whereupon the vendor repossessed the Machinery. Malan provides depreciation on the Machinery at 10% p.a on the WDV method.

(Or)

b) Mr. Balu purchased four cars for Rs.14,000 each on 1.1.2018 under hire purchase system. The hire purchase price for all the four cars was Rs.60,000 to be paid as Rs.15,000 down payment and three equal instalments of Rs.15,000 at the end of each year. Interest is charged at 5% p.a. The buyer depreciate the car at 10% p.a on straight line method. From the above particulars prepare relevant ledger accounts in the books of Mr.P and in the books of Hire vendor.

13. a) A company acquired lease of a mine at a minimum rent of Rs.10, 000 p.a. The royalty was fixed at Re 0.50 per tonne. Short working could be recouped within three years following the year in which the short workings 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:

Year	Output	Year	Output
2016	8,000	2019	26,000
2017	12,500	2020 (strike)	17,000
2018	21,500	2021	30,000

During 2020 there was a strike lasting for 3 months. Show the necessary ledger accounts for each of the years in the books of the company.

(Or)

b). Bengal coal limited leased a mine on 1.1.2015 at a minimum rent of Rs.15,000 merging into a royalty of Re.1 per ton with a stipulation to recoup short workings over the first three years of the lease. The output for the first four years of the lease was 8,000 ; 13,000 ; 21,000; and 18,000 tons respectively. Draft the necessary journal entries in the books of the company

14. a) The following transactions took place between Y & Z from 1st January to 30th June 2019.

Date	Particulars	Amount in Rs
01.01.19	Sold goods to Y	2,240
10.01.19	Received his acceptance at 2 months	1,000
15.02.19	Cash received from Y	1,200
02.03.19	Bought goods from Y	5,500
03.03.19	Accepted Y's draft at one month	2,000
11.04.19	Cash paid to Y	2,000
30.04.19	Goods sold to Y due 31 st may	2,400
11.05.19	Bought goods from Y	1,500
31.05.19	Sold goods to Y due 10 th June	2,200
15.06.19	Bought goods from Y	3,000

You are required to make out an account current to be rendered by Z as at 30th June 2019, taking interest into account at 5%.

(Or)

b) Win Owed RS,1200 on 1.1.2015 to Jim. The following transactions took place between the two parties

Date	Particulars	Amt in (RS.)
16.1.15	Jim sold goods to Win	800
29.1.15	Jim purchased goods	600
10.2.15	Jim pays cash	600
10.2.15	Win accepts bill drawn by Win for one month	700

It is desired to settle the account between two parties by one single payment on 15th March together with interest @6% p.a. Ascertain the date and the amount paid.

15. a) Elucidate the Advantages and Disadvantages of Tally

(Or)

b) State the differences between Tally ERP 9 and Tally 7.2.

Z-Z-Z

END