PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom (CS) DEGREE EXAMINATION MAY 2019
(Second Semester)

Branch - **CORPORATE SECRETARYSHIP**

FINANCIAL ACCOUNTING - II

Time: Three Hours   Maximum: 75 Marks

SECTION-A (10 Marks!
Answer **ALL** questions
ALL questions carry **EQUAL** marks   (1 0 x 1 = 10)

1   The figure for capital in the beginning is ascertained from
     (i) Cash account   (ii) Total debtors account
     (iii) Total creditors account (iv) Opening balance sheet

2   An estimate of assets and liabilities as on a date is called
     (i) Statement of Capital   (ii) Statement of affairs
     (iii) Balance Sheet   (iv) None of the above

3   Under hire purchase system, asset account is debited by the buyer with
     (i) Hire Purchase Price   (ii) Cash Price
     (iii) Cost price to the seller (iv) Retail Price of the asset

4   Under hire purchase system, the last installment paid.
     (i) interest only (ii) Cash price and interest (iii)cash price only (iv) cost price only

5   Royalty account is nature of
     (i) Personal account   (ii) Real account
     (iii) Nominal account   (iv) None of the above

6   In the case of sub-lease, royalty receivable account must be transferred to
     (i) Royalty Payable account   (ii) Production account
     (iii) Profit and Loss account (iv) Landlord's account

7   The account maintained by a businessman with his bank is known as
     (i) current account   (ii) saving bank account
     (iii) account current   (iv) recurring deposit account

8   The method of account current usually employed by the banker is known as
     (i) current account   (ii) daily balance method
     (iii) red ink interest   (iv) account current

9   Tally package is developed by
     (i) Microsoft (ii) Apple Software (iii) Adobe Software (iv) Tally solutions

10   To change current date from gateway of Tally press the key
     (i) FI (ii) F2   (iii)F5 (iv) F9

SECTION - B (35 Marks)
Answer **ALL** Questions
ALL Questions Carry **EQUAL** Marks (5 x 7 = 35)

11 a From the following information given calculate the amount of total purchases.

Opening balance of Bills Payable	5,000
Opening balance of Creditors	6,000
Closing balance of Bills Payable	7,000
Closing balance of Creditors	4,000
Cash paid to creditors during the year	30,200
Bills payable discharged during the year	8,900
Return Outward	1,200
Cash Purchases	25,800

11 Cont...

b Ascertain credit purchases and credit sales from the following:

Sundry Debtors on 01.01.2004	12,800	Sundry Creditors on 01.01.2004	7,600
Sundry Debtors on 3M2.2004	9,800	Sundry Creditors on 31.12.2004	9,030
Cash received from debtors	6,400	Cash paid to Creditors	1,750
Discount received	250	Discount allowed	350
Acceptances given to creditors	5,870	Bills received from Debtors	2,500
Bad debts	300	Bills dishonoured by Debtors	400

12 a Mr.Gupta purchased a machine under hire purchase agreement from Mr.Pankaj. The cash price of the machine was Rs. 1,55,000. The payment for the purchase is to be made as under. On signing the contract 3000, end of the first year 5000, end of the second year 5000, end of the third year Rs.5000. Depreciation was charged @10% on diminishing balance method. Calculate the interest and prepare the machine ledger and hire vendor ledger in the books of Mr.Gupta.

OR

b Give the difference between Hire Purchase Sale and Installment Sale.

13 a A Company leased a colliery on 1.1.2012 at a Minimum rent of Rs.20,000 per year merging into a Royalty of Rs. 1.50/ ton with a power to recoup short workings over the first 3 years of the lease. The output of the colliery for the first four years is:
2012: 9000 tons, 2013: 12000 tons, 2014: 16000, 2015: 20000.
Pass journal entries and show the calculations.

OR

b Y company is a lessee of a mine on a royalty of Rs.l per ton of coal raised with a minimum rent of Rs.8000 per annum with power to recoup short workings during the first two years of the lease only. The outputs for the first three years are: 2003-5000 tons, 2004-9000 tons, 2005-8000 tons. Pass necessary journal entries in the books of the landlord.

14 a Mr.Ram drew upon Vijayan several bills of exchange due for payment on different dates as under:

Date of bill	Term-	Amount
1st June	3 months	1200
19th June	2 months	1600
10th July	3 months	2000
27th July	3 months	1500
7th August	1 month	1800
15 th August	2 months	2400

Find out the due date on which payment may be made in one single amount.

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 30 June 2015. Ii to be calculated @12% per annum(In months).

15 a Explain the process of creating a company in Tally ERP.

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

16   Mr.Idle's books of accounts shows the following information as on 1 January 2004.

Particulars	Amount	Particulars	Amount
Capital	8000	Sundry Debtors	9000
Sundry Creditors	7500	Stock	4000
		Furniture	2000
		Cash at Bank	500
	15500		15500

During the year the books were imperfectly maintained but analysis of the bank transactions revealed the following information.

Receipts from Debtors	35000
Drawings for Personal Expenses	6000
Payment of Salaries	3000
Payment for Rent	1500
Miscellaneous expenses	400

Closing debtors on 31.12.2004 - 9500, Creditors on same date - 6400, Closing stock valuation was not done on that date. But it was stated that a gross profit of 40% rate was made during the year.

Prepare bank account, trading and profit and loss account for the year ended 31.3.2004 and a balance sheet as on that date.

17 On 1st January Malathi owed Rs.5400 to Kamala. Prepare an account current to be rendered by Kamala for the period up to 30th June 2019. The following transactions has taken place between them during the period of six months.

Jan 1	Sold to Malathi	800
Jan 16	Received from Malathi	2000
Jan 23	Sold to Malathi on 1 month credit	1000
Feb 10	Received 3 months acceptance from Malathi	2000
Mar 1	Bought goods from Malathi	1500
April 20	Sold goods to Malathi	500
May 7	Malathi bought goods	1200
June 9	Remitted by Malathi	800
June 14	Received from Malathi	900

Interest is to be charged at an agreed rate of 6% p.a. Calculate under Epoque method.

18 Arun owned certain patent rights. He granted a license to Barath 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 Barath.

19 Delta transports Ltd purchased from Ganga motors 3 trucks costing Rs.40000 each on Hire Purchase system. Payment was to be made Rs.30000 down and the reminder in 3 equal annual installments together with interest @5%. Delta transport writes off depreciation @20% on reducing balance method. It paid the installment at the end of the first year but couldn't pay the next. The hire vendor took possession of all the three trucks. He spent Rs.5800 on overhauling and sold them for Rs..70000. Draft the ledger accounts in both the parties for two years.