

(AUTONOMOUS)

**BCom(CS) DEGREE EXAMINATION MAY 2018**  
(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 (10 x 2 = 20)

- 1 State any two defects of single entry system.
- 2 What is meant by statement of affairs?
- 3 What is hire purchase price?
- 4 What is the benefit of instalment system to a buyer?
- 5 What is royalty?
- 6 What do you mean by sub-lease?
- 7 State any two practical uses of account current.
- 8 Give the formula to calculate average due date.
- 9 What do you understand by units of measure?
- 10 What is a voucher?

**SECTION - B (25 Marks)**

Answer ALL Questions

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

- 11 a X keeps his books on the single entry system, and the following information is available:

| Particulars      | 1 <sup>st</sup> January 2011 | 31 <sup>st</sup> December 2011 |
|------------------|------------------------------|--------------------------------|
|                  | Rs.                          | Rs.                            |
| Furniture        | 200                          | 200                            |
| Stock            | 2,800                        | 3,050                          |
| Sundry debtors   | 2,100                        | 3,400                          |
| Cash             | 150                          | 200                            |
| Sundry creditors | 1,750                        | 1,900                          |
| Bills payable    | -                            | 300                            |
| Loan             | -                            | 500                            |
| Investments      | -                            | 1,000                          |

He has drawn out of the business Rs. 500 during the year. Prepare a statement showing his profit for the year ended 31<sup>st</sup> December 2011 after writing off 10 per cent per annum depreciation on furniture and making a provision for bad debts of 10% on sundry debtors.

OR

- b Differentiate double entry system of book-keeping from single entry system of book-keeping.
- 12 a X purchased a typewriter on hire-purchase system. As per terms, he is required to pay Rs. 800 down, Rs. 400 at the end of first year, Rs. 300 at the end of the second year and Rs. 700 at end of the third year. Interest is charged at 5% p.a. Calculate the total cash price of the typewriter and the amount of interest payable on each instalment.

OR

- b On 01.01.1995 the colliery company purchased 5 wagons on the instalment system. The cash price of the wagons was Rs. 1,490 and Rs. 400 was to be paid on signing the agreement and the balance in three instalments of Rs. 400 each at the end of each year. Interest is charged at 5% per annum by the wagons company. Calculate interest and cash price included in each instalment.

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per tone. Minimum rent is Rs. 30,000. The right to recoup royalty is 5 years. The details of production for the first three years are as follows:

| Year :                       | I      | II     | III    |
|------------------------------|--------|--------|--------|
| Quantity produced (Tonnes) : | 15,000 | 50,000 | 75,000 |

Prepare minimum rent account, royalty account and short working account.

OR

- b Xavier has leased from Peter on 1<sup>st</sup> January, 2001 a colliery in which he has to pay a royalty of 10 p. per tonne, subject to a minimum of Rs. 12,000 per annum. On 1<sup>st</sup> January, 2003, he sub-leased a portion of the colliery to Yash at a royalty of 15 p. per tonne but without any minimum rent. Xavier is entitled under the lease to recoup shortworkings within the three years following the year in which they arose.

The figures of raising for the relevant years are as under.

| Year | Tonnes raised by Xavier | Tonnes raised by Yash |
|------|-------------------------|-----------------------|
| 2001 | 1,00,000                | -                     |
| 2002 | 90,000                  | -                     |
| 2003 | 65,000                  | 60,000                |
| 2004 | 70,000                  | 60,000                |
| 2005 | 90,000                  | 70,000                |

Show Royalty account and shortworkings account as appearing in the books of Xavier.

- 14 a What is account current? Describe its various methods.

OR

- b Radha drew the following bills of exchange on Mala during the year 1998:

| Date of drawings of bills of exchange | Amount Rs. | Term     |
|---------------------------------------|------------|----------|
| 12 <sup>th</sup> January              | 500        | 2 months |
| 14 <sup>th</sup> February             | 300        | 2 months |
| 20 <sup>th</sup> March                | 1,000      | 1 month  |
| 4 <sup>th</sup> April                 | 500        | 1 month  |
| 15 <sup>th</sup> May                  | 600        | 2 months |

Find out average due date.

- 15 a Explain the features of computerized accounting.

OR

- b Describe the ways to create, alter and display ledgers.

### SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 16 Thiru. Ramnath Keeps his books on single entry system. From the following particulars prepare trading and profit and loss A/c and balance sheet on 31.12.2003:

On 01.01.2003 his assets and liabilities were as follows:

|                  | Rs.    |
|------------------|--------|
| Stock            | 50,000 |
| Sundry debtors   | 60,000 |
| Machinery        | 60,000 |
| Furniture        | 5,000  |
| Sundry creditors | 30,000 |
| Bank overdraft   | 10,000 |

The cash book gives the following information :

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16 Cont ...

| Particulars           | Rs.    | Particulars          | Rs.   |
|-----------------------|--------|----------------------|-------|
| Receipts from debtors | 80,000 | Interest on bank o/d | 1,500 |
| Cash sales            | 30,000 | Salaries             | 5,000 |
| Payment of creditors  | 40,000 | Drawings             | 4,000 |
| Cash purchases        | 25,000 | General expenses     | 8,000 |
| Rent                  | 2,200  |                      |       |

Discount allowed to debtors was Rs. 4,000 and discount earned from creditors was Rs. 2,500. Goods worth Rs. 3,000 were returned by the customers and goods worth Rs. 1,500 were returned to the suppliers.

On 31.12.2003 his position was as follows:

| Particulars      | Rs.    | Particulars        | Rs.    |
|------------------|--------|--------------------|--------|
| Stock            | 45,000 | Machinery          | 60,000 |
| Sundry debtors   | 70,000 | Furniture          | 5,000  |
| Bills receivable | 6,000  | Sundry creditors   | 25,000 |
| Bills payable    | 4,000  | Salary outstanding | 500    |

Depreciation on machinery at 10% and furniture at 6%.

- 17 Amala purchased a truck for Rs. 56,000, payment to be made Rs. 15,000 down, and three instalments of Rs. 15,000 each at the end of each year. Rate of interest is charged at 5% p.a. Buyer depreciates the asset at 10% p.a. on written down value method; because of financial difficulties, Amala, after having paid down payment and first instalment at the end of 1<sup>st</sup> year, could not pay second instalment and seller took possession of the truck. Seller, after spending Rs. 350 on repairs of the asset, sold it away for Rs. 30,110.

Show the ledger accounts in the books of both parties.

- 18 On 1<sup>st</sup> January 1987, Gudur mines leased some land for a minimum rent of Rs. 30,000 for the first year, Rs. 50,000 for the second year and Rs. 1,00,000 per annum thereafter, merging into royalty of 50 paise per ton with power to recoup shortworkings over two years of such shortworkings. The outputs were as under:

| Year | Output (Tons) |
|------|---------------|
| 1987 | 30,000        |
| 1988 | 86,000        |
| 1989 | 2,20,000      |
| 1990 | 5,00,000      |

Show the accounts as would appear in the books of Gugur Mines.

- 19 Thiru Ragavan involved in the following transactions with Sugumar in the year 2008:

| Date     | Particulars                | Rs.   |
|----------|----------------------------|-------|
| 01.07.08 | Balance payable by Sugumar | 900   |
| 15.07.08 | Sold to Sugumar            | 2,850 |
| 10.08.08 | Cash received from Sugumar | 1,650 |
| 19.08.08 | Purchases from Sugumar     | 1,050 |
| 03.09.08 | Goods returned to Sugumar  | 450   |
| 16.09.08 | Cash received from Sugumar | 750   |

Prepare the account current, which Ragavan prepares and sends to Sugumar as on 30.09.08. Calculate interest @ 10% p.a.

- 20 Explain the various types of inventory vouchers.