

END OF SEMESTER EXAMINATIONS, NOVEMBER – 2017
FINANCIAL ACCOUNTING
SUBJECT CODE: 16UAC005

MAJOR: B.Com.
TIME : 3 HOURS

SEMESTER : II
MAX.MARKS: 75

SECTION-A (10 x 1 = 10)

Answer ALL the Questions:

1. Write a short note on trade bills.
2. Enumerate the practical uses of average due date.
3. What do you mean by delcredre commission?
4. What is an account sale?
5. What is joint bank account?
6. What is Memorandum joint venture account?
7. What is a subscription?
8. Write a short note on legacy.
9. What is General Ledger Adjustment Account?
10. What is Sectional Balancing?

SECTION-B (5 x 4 = 20)

Answer any FIVE Questions:

11. Mr. A owes Mr. S the following sums of money due on the dates stated

Rs 400 due on January 5,2015
Rs. 200 due on January 20,2015
Rs. 800 due on February 4,2015
Rs. 100 due on February 26,2015
Rs.50 due on March 10,2015

Find out Average Due Date.

12. Sekar of Salem sends goods amounting to Rs. 25,000 to Mathu of Madurai on consignment basis. He pays Rs. 1,000 as forwarded expenses. The goods are received by Mathu who spends Rs. 500 for carriage. Mathu 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. Mathu settles the account by a bill. Prepare the account sales.
13. A and B are in joint venture. Both maintain complete records in their own respective books. A spends Rs. 50,000 to buy goods for joint venture and pays Rs. 20,000 for other expenses. B purchases goods for Rs. 40,000 and spends Rs. 30,000 for expenses. B sells all the goods for Rs. 2,40,000 and the venture is closed. Prepare the joint venture account in the books of A.
14. From the following details, ascertain the amount of subscriptions to be credited to income and expenditure account for the year 1999.
Subscription received in 1999- Rs. 48,000 which include Rs. 4,000 for 1998 and Rs. 8,000 for 2000. Subscriptions due but not received at the end of the year 1999 were Rs. 20,000.
Subscriptions received in 1998 in advance for 1999 were Rs. 12,000.
15. From the following prepare a purchase ledger adjustment account.

		Rs.
01-01-1993	Creditors Balance (Cr)	12,000
	Creditors Balance (Dr)	150
31-12-1993	Total Purchase	40,000
	Cash Purchase	4,000
	Cash Paid	20,000
	Bills accepted	15,000
	Return outwards	2,000
	Return inwards	1,000
	B/R dishonoured	1,000
	B/P dishonoured	500
	Discount allowed	200
	Bills endorsed	800
	Bills discounted	200
	Creditors Balance (Dr)	140

16. What are the differences between a bill of exchange and a promissory note?
17. List out the advantages of Self Balancing System.
18. Distinguish between Joint venture and Partnership.

SECTION-C (3 x 15 = 45)

Answer ANY THREE Questions

19. The following transaction took place between Kumaran and Kandhan from 1st January to 31st March 1999.

January 1999		Rs.
06	Sold goods to Kandhan	5,000
20	Purchased goods from Kandhan	2,000
01	Received 1 Month acceptance from Kandhan	3,000
10	Sold goods to Kandhan	3,000
25	Received goods returned from Kandhan	200
28	Received cash from Kandhan	1,500
March 02	Purchased from Kandhan	1,800
05	Accepted 1 Month bill in favour of Kandhan	1,000

Prepare an Account current to be rendered by Kumaran as on 31-03-1999, taking interest @ 18% p.a.

20. Balance of Bangalore consigned 190 bags of sugar to Ragu of Chennai, Invoicing goods at Rs.180 per bag. Balan paid Rs. 1,200 as cartage and other expenses. The consignor drew a bill of exchange for Rs. 12,000 which was later discounted at 11,800. The consignee rendered an account sale showing the following details.

100 bags at Rs.240 each on credit
90 bags sold at Rs.230 each on cash
Freight and carriage Rs. 600
Transit insurance Rs. 1,000
Storage and insurance Rs. 1,000
Commission at 5%

The consignee sent a sight draft for the amount due. You are required to prepare ledger accounts in the books consignor and consignee.

21. Describe the different methods recording transactions relating to Joint venture.
22. The following is the receipts and payments account of Kandan recreation club for the year ended 31st March 2002.

Receipts	Rs.		Payments	Rs.
To balance B/d		7,000	By salaries	28,000
To subscriptions:			By general expenses	6,000
2000-2001	5,000		By electricity	4,000
2001-2002	20,000		By books purchased	10,000
2002-2003	4,000	29,000	By periodicals purchased	8,000
To rent for use of Conference room		14,000	By loan repaid	20,000
To receipts from Entertainment facilities		28,000	By balance c/d	4,000
To sale of old magazines		2,000		
		80,000		80,000

Additional data:

- (i) The club has 50 members, each paying Rs. 500 PA subscription
- (ii) Subscription outstanding on 31-03-2002 Rs. 6,000
- (iii) Salaries outstanding Rs. 2,000 Salaries paid include Rs. 6,000 for 2000-01.
- (iv) On 01-04-2001, the clubs properties were: building Rs. 2,00,000 Furniture & Fittings Rs. 20,000 and books Rs. 20,000.
- (v) Provide 10% depreciation on buildings and furniture

Prepare income and expenditure account for the year ending 31-03-2002 and a balance sheet on that date

23. Explain the maintenance of three ledgers and the self balancing accounts in each ledger.
