

## END OF SEMESTER EXAMINATIONS, APRIL / MAY-2018

## FINANCIAL ACCOUNTING

SUBJECT CODE: 16UACO05

MAJOR: B.Com

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SEMESTER : II

TIME : 3 HOURS

MAX. MARKS: 75

SECTION - A (10 X 1 = 10)Answer All the Questions:

1. What is meant by Accommodation Bills?
2. What is Average Due Date?
3. What is 'Del Credere Commission'?
4. What is 'Abnormal loss' on Consignment?
5. Define a Joint Venture.
6. What are the characteristics of a 'Joint Venture'?
7. What is meant by 'Legacy'?
8. Write short notes on 'Revenue Expenditure'?
9. State the advantages of 'Self Balancing System'.
10. What is meant by 'Sectional Balancing System'?

SECTION - B (5 X 4 = 20)Answer Any FIVE Questions:

11. What are the essential requirements of a Bill of Exchange?
12. Calculate the Average Due Date.  
M owes W, the following sum of money. Rs.94,000 due on 1<sup>st</sup> January 2009; Rs.44,000 due on 5<sup>th</sup> February 2009; Rs.72,000 due on 1<sup>st</sup> March 2009; Rs.90,000 due on 10<sup>th</sup> April 2009.
13. On April 1, 2008, Arun Radio Limited of Chennai consigned to R. Satheesh, Radio dealer at Coimbatore, 200 radio sets, invoiced at Rs. 300 per set. The cost of each set was Rs.250 and Railway freight of Rs. 600 was paid by the consignor, other expenses being paid by the consignee. On 1<sup>st</sup> July 2008, R. Satheesh remitted an account sales showing that 160 sets have been sold at the price of Rs.300 per set. They deducted unloading charges and cartage of Rs. 30, establishment expenses Rs.120 and commission at 5% on sales, remitting the draft for the balance. Make out an 'account sales'.
14. Distinguish between Consignment and Sale.
15. A and B are partners of a Joint venture sharing profit and losses in the ratio 2:1. A contributed goods worth Rs.5,90,000 and spent Rs.39,100 as expenses. B contributed goods worth Rs.4,70,000 and spent Rs.44,300 as expenses. The goods were sold by A for Rs.7,40,000 and B for Rs.6,50,000. The venturers are entitled to a commission @ 7% on sales. Assume that the accounts are closed and final settlement has been done. Prepare Joint Venture account in the books of A only.
16. Calculate the amount to be credited in the Income and Expenditure account from the subscription account as on 31<sup>st</sup> on March 2009.  
Subscription received as per Receipts and Payment Account was Rs.3,50,000. In the adjustment following information is given:

	31 <sup>st</sup> March 2008	31 <sup>st</sup> March 2009
Subscription outstanding	29,000	35,000
Subscription received in advance	40,000	25,000

17. What is meant by Receipts and Payments accounts?
18. The following are the summarise details for the year 1990 in the books of Arumugan who has adopted self-balancing system.

Sales Rs.31,200, Sales Returns Rs.3,120, Discount allowed Rs.1,300, 'Bad debts Rs. 350, Allowance to customers Rs.400, B/R discounted Rs.500, Cash received from customers Rs.20,000, Provision for bad debts Rs.3,000, Bad debts previously written off now recovered Rs.400, B/R received Rs.1,300, B/R dishonoured Rs.500, Closing balance of debtors (credit) Rs.700. Prepare Debtors Ledger Adjustment a/c as it would appear in the General Ledger.

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**SECTION – C (3 X 15 = 45)**

**Answer Any THREE Questions:**

19. Kali owed to Venu Rs.12,000 on 1.1.1999. On the same date Venu drew upon Kali a bill for the amount at 2 months and Kali returned the bill duly accepted. Venu got the bill discounted at his bank at 6% p.a. Before the bill was due for payment Kali told Venu that he was not able to pay the full amount and requested Venu to accept Rs.4,500 immediately and draw upon him another bill for the remaining amount for two months together with interest at 8% p.a. Venu agreed. The second bill was duly met. Give journal entries in the books of Venu.
20. M/S. Jaipura & Co. of Delhi consigned on 15<sup>th</sup> March, 2004, 45 cases of glassware (cost price Rs.41,235) to Singh & Co. of Amritsar for sale on commission @ 5% on gross sale proceeds. The consignor paid freight and carriage amounting to Rs.539.

The goods arrived at Amritsar on 20<sup>th</sup> March, 2004 and Singh & Co. paid the following expenses. Clearing charges Rs.235, Sundry charges Rs.59, Carriage Rs.102, Godown charges Rs.90. The goods were sold by Singh & Co. as under: 15 cases @ Rs.1003 per case, 22 cases @ Rs.1050 per case and the remainder for Rs. 10,000.

On 21<sup>st</sup> June, 2004 Singh & Co. sent a draft for Rs. 10,000 to M/s.Jaipura & Co. on account. On 1<sup>st</sup> July 2004 Singh & Co. forwarded an Account Sales together with a bill of exchange for the balance.

Give Journal entries and prepare the ledger account (Only for consignment) to record the above transactions in the books of Jaipura & Co.

21. The following is the Receipts and Payments Account of the Calcutta Club for the year ending 31<sup>st</sup> March 2009.

	Rs.		Rs.
To Balance b/d	1,30,000	By Salaries	70,000
To Subscription received	2,40,000	By Sports Expenses	90,000
To Donation	1,40,000	By Electricity	27,000
To Receipts from Sports	50,000	By Telephone	29,000
To Interest on Investment	30,000	By Postage Expenses	20,000
		By General Body Expenses	14,000
		By Printing & Stationery	24,000
		By Purchase of Furniture	51,000
		By Investment	40,000
		By Balance c/d	2,25,000
	5,90,000		5,90,000

Further informations:

The balance as on 31<sup>st</sup> March 2008 are Investment Rs.5,00,000, Furniture Rs.2,30,000, Sports Equipment Rs.1,00,000. Subscription outstanding as on 31<sup>st</sup> March 2008 Rs.22,000 and as on 31<sup>st</sup> March 2009 Rs.25,000. Subscription received in advance as on 31<sup>st</sup> March 2009 was Rs.27,000. Salary outstanding as on 31<sup>st</sup> March 2008 Rs.20,000 and as on 31<sup>st</sup> March 2009 Rs.15,000.

Prepare Income and Expenditure Account and the Balance Sheet as on March 2009

22. What are the methods of recording transactions relating to Joint venture?
23. Explain the system of Self Balancing Ledgers.

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