

END OF SEMESTER EXAMINATIONS, APRIL / MAY – 2017
FINANCIAL ACCOUNTING
SUBJECT CODE : 12UACC03

MAJOR : B.Com [CA]
TIME : 3 HOURS

SEMESTER : III
MAX. MARKS: 75

SECTION - A (10 X 1 = 10 Marks)

Answer ALL the Questions

1. Define Consignment.
2. State the meaning of 'Account Sales'.
3. What do you mean by Non-Trading Concerns?
4. What are the accounts that are prepared by Non-Trading concerns?
5. What is Single Entry System?
6. Give the meaning of 'Statement of Affairs'.
7. What is Down Payment?
8. State the meaning of Installment Purchase System.
9. What is Salvage Stock?
10. What do you mean by 'Average Clause'?

SECTION - B (5 X 4 = 20 Marks)

Answer Any FIVE Questions

11. Bring out the differences between 'Consignment' and 'Sale'.
12. Lal of Sonopal consigned 500 bicycles to John of Cochin to be sold on his account and at his risk. The cost of our bicycles was Rs. 200. Lal paid Rs. 5,500 as freight and insurance and received Rs. 40,000 as advance from John. John paid Rs. 1,000 at Octroi and carriage Rs. 1,500 as rent as Rs. 1,200 as insurance. 410 bicycles were sold by John for Rs. 1,10,000. John was entitled to a commission of 5% on Sale @ Rs. 250 per bicycle and 25% of surplus price realized.

Give the Journal entries in the Books of Consignor and Consignee.

13. From the following particulars, Calculate the amount to be shown in the Income and Expenditure A/c. Amount paid for Stationery during the year as per Receipts and Payments Account Rs. 1,080.

	On 1.4.2015	On 31.3.2016
Stock of Stationery	300	50
Creditors for Stationery	200	130
Advance payments for Stationery	20	30

14. Prepare Receipts and Payments A/c of a Royal Club for the year ended 31st December 2016 from the following particulars.

	Rs.
Opening balance of Cash	40,000
Receipt of Entrance fees	8,000
Subscription received for 2016	16,000
Previous year's subscription received	1,600
Paid Salaries	2,000
Paid for miscellaneous Exp.	200
Rent Paid	1,200
Payment for purchase of Cricket Balls	500
Payment for purchase of Cricket Bats	1,600
Payment for stationery in cash	100

15. Distinguish between Single Entry System and Double Entry System.
16. Mohan, a retail merchant commenced business with a Capital of Rs. 12,000 on 1.1.2016. Subsequently on 1.5.2016 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs. 2,000 for his personal use. On 31.12.2016, his assets and liabilities were as follows:

Cash at Bank	-	Rs. 3,000	Furniture	-	Rs. 2,000
Debtors	-	Rs. 4,000	Creditors	-	Rs. 5,000
Stock	-	Rs. 16,000			

Calculate the Profit or Loss made during the year 2016.

17. Madhu purchased a machine on hire purchase system on 1st January 2013. The terms of payment are four 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 Madhu who defaulted in the payment of the third instalment whereupon the vendor repossessed the Machinery. Madhu provides depreciation on the Machinery @ 10% p.a., on the reducing balance method.

18. A fire occurred in the premises of a trader on 31-5-2016 destroying a great part of his goods. His stock of goods on 1-1-2016 was Rs.1,20,000. The value of stock salvaged was Rs.27,000. The gross profit on sales was 25% and sales amounted to Rs.3,06,000 from January to 31-5-2016, while the purchases for the same period amounted to Rs.2,07,000. The policy amount is Rs.60,000. There was an average clause in the policy. Calculate the amount of claim.

SECTION - C (3 X 15 = 45 Marks)

Answer any THREE Questions

19. Banerjee and Mukherjee agreed to import Russian Timber into India. On 1st July, 2014, they opened a joint account with Rs. 25,000 towards which Banerjee contributed Rs. 15,000 and Mukherjee contributed Rs. 10,000, They agreed to share Profits and Losses in proportion to their cash contributions.

They remitted to their agent in Russia Rs. 20,000 to pay for Timber purchased and later Rs. 2,100 in settlement of his account. Freight, Insurance and Dock Charges amounted to Rs. 3,900. On Dec, 31, 2014, the sales amounted to Rs. 28,740 which enabled them to repay themselves with cost originally advanced (no account to be taken of interest). They then decided to close the venture and Mukherjee agreed to take over the timber unsold for Rs. 1,260, which is to be deducted from his share of profit.

Prepare the necessary accounts showing the amount of cash available for division by way of profits and how the same is divisible between Banerjee and Mukherjee.

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20. From the given particulars, show how these items would appear in the Income and Expenditure A/c for the year 2016.

Receipts and Payments account for the year ended 31st December 2016

Receipts	Rs.	Payments	Rs.
To balance b/d: Cash	1,000	By Salaries	2,000
Bank	3,000	By Insurance	1,000
To Subscriptions	10,000	By Purchase of Building	2,000
To Interest	1,000	By Balance c/d: Cash	3,000
		Bank	7,000
	15,000		15,000

Additional Information:

Particulars	2015	2016	2017
Subscription received in Advance during	750	--	750
Outstanding Subscription for the year	500	600	--
Outstanding Salaries for the year	400	500	--
Insurance Prepaid at the end of the year	350	250	--

21. Explain the advantages and disadvantages of Single Entry System.
22. Distinguish between Hire Purchase and Instalment Purchase System.
23. A Fire occurred in the premises of Sundar Ltd. on 10.10.2016. All stocks were destroyed except to the extent of Rs.20,000. The following information is available from the records of the company:

Stock on 1-1-2015	Rs. 1,60,000
Purchases during 2015	Rs. 5,80,000
Sales during 2015	Rs. 8,00,000
Stock on 31-12-2015	Rs. 1,00,000
Purchases during 2016 upto the date of fire	Rs. 6,08,800
Sales during 2016 upto the date of fire	Rs. 7,56,000

The policy was taken for Rs.60,000. There was an average clause in the policy.

Calculate the amount of Claim.

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