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Reg. No..................................

Name....................................

FIVE YEAR INTEGRATED B.B.A./B.Com., LL.B. (HONOURS) DEGREE EXAMINATION, JUNE 2022

Second Semester

FC 4—FINANCIAL ACCOUNTING

(2020 Admissions—Regular)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any **five** *questions.*
Each question carries 3 *marks.*

1. State the objectives of Branch accounting.
2. What do you mean by Minimum Rent ?
3. How the Normal loss is differing from Abnormal loss in Consignment Accounting ?
4. Narrate the meaning for Capital expenditure, Revenue expenditure and Deferred revenue expenditure.
5. Give a specimen of Account Sales.
6. What is Short Working ?

(5 × 3 = 15 marks)

Part B

Answer any **three** *questions.*
Each question carries 10 *marks.*

7. Illustrate the methodology of preparing Branch Account under Debtors System.
8. What do you mean by Royalty ? How does it differ from Rent ?
9. Prepare the Consignment Account, Saxena account and Profit and Loss Account in t the books of Ahalya Ltd :

   (a) 1,000 toys consigned by Ahalya Ltd of Calcutta to Saxena of Rangoon at an invoice cost of Rs. 150 each.

   (b) Ahalya Ltd paid freight Rs. 10,000 and insurance Rs. 1,500.

   (c) During the voyage 100 toys were totally damaged by fire and had to be thrown overboard.

   (d) Saxena took delivery of the remaining toys and paid Rs. 14,400 as customs duty.

Turn over

(e) Saxena sent a bank draft to Ahalya Ltd for Rs. 50,000 as advance payment and later sent an account sales showing that 800 toys had been sold at Rs. 220 each.

(f) Expenses incurred by Saxena on godown rent and advertisement, etc., amounted to Rs. 2,000.

(g) Saxena was entitled to commission of 5 per cent. One of the credit customers could not pay for 5 toys.

Assumptions:

(1) That nothing has been recovered from the insurers due to a defect in the policy.

(2) Saxena settled his account immediately.

10. Aiswarya a readymade garments proprietor maintains her books of account from Incomplete Records. Her books provide the following information :

		1st April, 2019 (₹)	31st March, 2020 (₹)
Cash	...	1,200	1,600
Bills Receivable	...	—	2,400
Debtors	...	16,800	27,200
Stock	...	22,400	24,400
Investments	...	—	8,000
Furniture	...	7,500	8,000
Creditors	...	14,900	11,600

She withdrew ₹. 500 per month for personal expenses. She sold her Investments of ₹. 16,000 at 5 % premium and introduced the amount into business.

You are required to prepare a Statement of Profit or Loss for the year ending 31st March, 2020.

(3 × 10 = 30 marks)

Part C

Answer any **two** *questions.*
Each question carries 15 *marks.*

11. What do you mean by incomplete records ? Mention the methods for calculating Profit and Loss Account from incomplete records with suitable illustrations.

12. The following are the balances as on 31st March, 2018 extracted from the books of Unsystematic :

	₹		₹
Sales	9,20,000	Postage and Courier	6,200
Purchases	6,83,000	Miscellaneous Expenses	9,000
Returns Inward	13,000	Bad Debts	4,000
Returns Outward	22,000	Debtors :	2,20,000
Stock on 1st April, 2017	1,76,000	Creditors	1,28,000
Carriage Inwards	24,000	Loan from Sahil	50,000
Rent	22,000	Capital	5,25,000
Discount	37,500	Drawings	19,100
Printing	7,200	Business Premises	3,90,000
Insurance	5,000	Office Furniture	15,000
Travelling Expenses	14,000		

The stock on 31st March, 2018 was valued at ₹ 2,40,000.

You are required to prepare Trading Account, Profit and Loss Account and Balance Sheet as at 31st March, 2018.

13. The following are the particulars of the transactions Buta Shoe Ltd, Trissur relating to branch during the year March, 2012 :

		₹
Goods sent to branch, at cost to head office		28,08,400
Sales :	₹	
Cash	12,50,700	
Credit	17,74,300	30,25,000
Cash collected from debtors		15,70,000
Discount allowed to debtors		15,700
Returns from debtors		10,000
Spoiled cloth in bales written off, at invoice price		5,000
Cheques sent to branch for	₹	
Rent	72,000	
Salaries	1,80,000	
Other Expenses	35,000	2,87,000

Prepare Branch Account ascertaining profit for the year ended 31st March 2012 after preparing Memorandum Branch Stock Account and Memorandum Branch Debtors Account.

(2 × 15 = 30 marks)