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

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

FIVE YEAR B.B.A./B.Com. LL.B. (HONOURS) DEGREE EXAMINATION JUNE 2023

Second Semester

FB 4/FC 4—FINANCIAL ACCOUNTING

(2021 Admissions—Regular/2018 to 2020 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

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

1. State the meaning of Minimum Rent in Royalty Account.
2. What do mean by Pro-forma invoice ?
3. How will you treat Abnormal loss in Consignment ?
4. Distinguish between Branch and Department.
5. Explain the treatment of Goods in transit in Branch Account.
6. How does a Balance sheet differ from Statement of Affairs ?

(5 × 3 = 15 marks)

Part B

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

7. What is Short Working ? How is it treated in the books of Lessee when it arises ?
8. Describe the different methods of calculating profits from incomplete records.
9. A colliery worked coal under a lease which provided for the payment of royalties at Rs. 5 per tonne with a minimum rent of Rs. 1,70,000 per annum. Each year's excess of minimum rent over the actual royalties was recoverable during the subsequent three years.

Turn over

The lease, however, stipulated that if in any year the normal rent was not attained due to strike or accident, the minimum rent was to be regarded as having been reduced proportionately having regard to the length of the stoppage.

The output was as follows :

For the year ended 31st March,	2007	4,000	*tonnes*
For the year ended 31st March,	2008	28,000	"
For the year ended 31st March,	2009	30,000	"
For the year ended 31st March,	2010	46,000	"
For the year ended 31st March,	2011	30,000	"
For the year ended 31st March,	2012	50,000	"

During the year 2010-11 there was a stoppage due to strike lasting three months.

Give the necessary ledger accounts in the books of the colliery for each of the above years.

10. Krishnan started his business on 1st April, 2017 with a Capital of Rs. 1,00,000. On 31st March, 2018, his assets were :

		Rs.
Cash	...	3,200
Stock	...	34,800
Debtors	...	31,000
Plant	...	85,000

He owed Rs. 12,000 to sundry creditors and Rs. 10,000 to his brother on that date. He withdrew Rs. 2,000 per month for the private expenses. Ascertain his profit.

(3 × 10 = 30 marks)

Part C

Answer any **two** *questions.*

Each question carries 15 *marks*

11. Elucidate the significance of Accounting highlighting its principles.

12. Sanjay and Sudhir are partners sharing profit and losses in the ratio 3 : 2. The Trial Balance of the firm on 31st March, 2010 was follows :

Trial Balance as on 31st March, 2010

Particulars			*Amount* Rs.	*Particulars*			*Amount* Rs.
Opening stock		...	20,000	Capital Accounts	Sanjay	...	40,000
Purchases		...	30,000		Sudhir	...	30,000
Debtors		...	12,000	Sales		...	70,000
Wages		...	5,000	Sundry Creditors		...	21,000
Salaries		...	10,000	Bills payable		...	20,000
Land and Building		...	30,000	Discount		...	5,000
Plant and Machinery		...	25,000	Outstanding Rent		...	1,500
Furniture		...	16,000				
Advertisement (for 2 years)		...	6,000				
Bills Receivable		...	8,000				
Insurance		...	2,000				
Drawings-	Sanjay	...	2,000				
	Sudhir	...	3,000				
Cash in hand		...	5,500				
Rent		...	10,000				
Power and Fuel		...	3,000				
			1,87,500				1,87,500

Adjustments :

(1) Stock on hand on 31st March, 2010 was at Rs. 35,000.

(2) Write off Rs 2,000, for further Bad debts and maintain R.D.D. at 5 % on debtors.

(3) Depreciate Land and Building at 5 % and Machinery at 10 %.

(4) Outstanding expenses were wages Rs. 2,000 and salary Rs. 1,000.

(5) Credit purchases amounted to Rs. 4,000 were not recorded in the books of accounts.

(6) Provide interest on Partners Capital at 5 % p.a.

From the above Trial Balance and adjustments prepare Trading and Profit and Loss Account for the year ended 31st March, 2010 and Balance Sheet as on that data.

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

			Rs.
Goods sent to branch, at cost to head office			28,08,400
Sales :		Rs.	
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		Rs.	
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)