

G 7001

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Reg. No.....

Name.....

**B.Com., LL.B. (HONOURS)/B.B.A. LL.B. (HONOURS) DEGREE EXAMINATION
MARCH 2020**

Second Semester

FC4/FB4—FINANCIAL ACCOUNTING

(2018 Admissions—Regular)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five of the following questions.

Each question carries 3 marks.

1. What are the different types of Branches ?
2. Show the method of treatment of normal loss in Consignment Account.
3. State the defects of Double Entry System.
4. Give the conception of "Principles of Materiality".
5. How will you deal "Cash in Transit", while preparing Branch Account ?
6. Rectify the following two errors :
 - (a) The purchase of furniture for Rs. 1,000 has been entered in Purchase Day Book
 - (b) Received Rs. 3,000 from Rana but credited in Rani's Account.

(5 × 3 = 15 marks)

Part B

Answer any three of the following questions.

Each question carries 10 marks.

7. What do you mean by Capital Expenditure ? Discuss the difference between capital and revenue expenditure.
8. Illustrate the preparation of Branch Account under Debtors System.
9. Explain the meaning of "Minimum Rent" and "Short Working" in Royalty Account.

Turn over

10. Ascertain credit sales by preparing Total Debtors Account :

Particulars	Amount
Opening Debtors	16,200
Cash and Cheque received from debtors	84,000
Bills receivable received from debtors	32,000
Goods returned by debtors	4,500
Bad debts written off	3,000
Discount allowed to customers	6,000
Closing Debtors	22,000

(3 × 10 = 30 marks)

Part C

Answer any two of the following.

Each question carries 15 marks.

11. How will you prepare Branch Account under Stock and Debtors System ? Illustrate your answer.
12. The following is the Trial Balance of Shankar as on 31st Dec 2018 :

Particulars	Dr (Rs.)	Cr (Rs.)
Purchases	49,500	
Sales		81,000
Returns	1,500	2,000
Discount	2,200	1,300
Bad debts	800	
Debtors and Creditors	20,000	18,200
Provision for bad debts		1,200
Stock opening	16,000	
Bank		2,500
Printing and stationery	1,300	
Wages	2,500	
Salaries	3,500	
Lease hold premises	25,000	
Goodwill	15,000	
Capital		33,300
Cash	2,200	
Total	1,39,500	1,39,500

You are required to prepare Trading and Profit and Loss Account for the year ended 31st Dec 2018 and a Balance Sheet as on that date after considering the following :

- (a) Closing Stock is valued at. rupees 19,800.
- (b) Provision required for bad debts is 5%.
- (c) Salaries outstanding rupees 500.
- (d) Closing stock of stationery is valued at rupees 150.
- (e) Depreciate the lease hold premises by 20 %.

13. Mr Unscientific has not kept proper books of accounts .The following balances are placed before you, from which you are asked to prepare statement of affairs for 2017 and 2018, from which you are asked to prepare final statement of affairs after preparing statement of profit and loss account for the year ended 2018 :

Particulars	31-12-2017	31-12-2018
Cash in hand	1,700	4,600
Bank overdraft	3,600	5,000
Debtors	18,000	32,200
Stock in trade	26,000	42,450
Bills receivables	4,500	5,500
Bills payable	5,200	5,750
Creditors	12,000	14,000
Furniture	5,600	6,000
Land and building	30,000	30,000
10 % Bank loan (1-07-2018)	----	15,000

1. Drawings during the year amounted to rupees 4,000.
2. Furniture is to be depreciated at 10%.
3. Of the Debtors rupees 200 is bad. Interest at the rate of 10% is to be provided on capital.
4. Rupees 200 is to be charged on Mr. Unscientific for interest on drawings.
5. 5% provision is required for doubtful debts.
6. Insurance prepaid amounts to rupees 100.

(2 × 15 = 30 marks)