

Reg. No.

(5 pages)

Name

FOURTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL/MAY 2005

(Restructured Course)

Paper IV—ACCOUNTING**(Common for Tax Procedure and Practice, Tourism and Travel Management and Hotel Management and Catering)**

Time : Three Hours

Maximum : 65 Marks

Section A*Answer any five questions.
Each question carries 2 marks.*

1. What do you understand by an Independent Branch ?
2. Define Single Entry system.
3. What is the difference between Income and Expenditure account and Receipt and Payment Account ?
4. What do you mean by royalty ?
5. What is meant by Minimum Rent ?
6. What is Hire Purchase System ?
7. What do you mean by default and repossession in Hire Purchase Accounts ?

(5 × 2 = 10 marks)

Section B*Answer any five questions.
Each question carries 5 marks.*

8. Give Journal Entries in the books of Lessee and Land Lord when royalty is more than the Minimum Rent and shortworkings of the previous years are to be recouped.
9. How will you convert a Single Entry System into Double Entry System. Explain in detail.
10. What do you understand by the term Branch Adjustment Account ? Explain clearly.
11. Delhi Traders opened a branch at Meerut on 1st January 2000. From the following figures prepare Meerut Branch Account for the year 2000 :—

	Rs.		Rs.
Goods sent to the Branch ...	20,600	Cash sales ...	10,000
Cash sent to the Branch for :		Credit sales ...	24,000
Rent ...	1,200	Cash received from debtors ...	20,000
Salaries ...	3,000	Stock (31-12-2000) ...	2,300
Other expenses ...	1,200	Petty cash (31-12-2000) ...	40

Turn over

12. Prepare Branch Account from the following particulars. Branch makes only Cash Sales :—

	Rs.
Goods supplied to branch ...	50,000
Cash sales ...	55,000
Expenses ...	3,000
Opening stock ...	1,000

Closing stock has not been ascertained. Manager gets commission at 10 % on net profit before charging such commission. Branch sells goods at cost + 25 %.

13. Madhu maintains books on Single Entry System. He gives you the following information :—

	Rs.
Capital on January 1, 2001 ...	15,200
Capital on January 1, 2002 ...	16,900
Drawing made during the period ...	4,800
Capital introduced on August 1, 2002 ...	2,000

You are required to calculate profit made by Madhu.

14. Prepare Receipt and Payment Account of a club for the year ended on 31st December 2000 from the following particulars :—

	Rs.
Opening balance of Cash ...	2,000
Receipt of entrance fee ...	400
Subscription received for 2,000 are ...	800
Previous years subscription received ...	80
Rent paid ...	60
Payment for purchase of cricket bats ...	80
Payment for stationery in Cash ...	5
Paid salaries ...	100
Paid for miscellaneous expenses ...	10

Section C

Answer any two questions.
Each question carries 15 marks.

15. The Bundi Shoes Ltd., Bundi, is having its branch at Ajmer. Goods are invoiced to the branch at 20 % profit on sales. Branch has been instructed to send all cash daily to the head office. All expenses are paid by the head office except petty expenses which are met by the branch manager. From the following particulars prepare branch account in the books of Bundi Shoes Ltd. :-

	Rs.
Stock on 1st January 2001 (Invoice price) ...	15,000
Sundry debtors on 1st January ...	9,000
Cash in hand on 1st January ...	400
Office furniture on 1st January ...	1,200
Goods invoiced from the head office (invoice price) ...	80,000
Goods returned to head office ...	1,000
Goods returned by debtors ...	480
Cash received from debtors ...	30,000
Cash sales ...	50,000
Credit sales ...	30,000
Discount allowed to debtors ...	30
Expenses paid by head office :	Rs.
Rent ...	1,200
Salary ...	2,400
Stationery and Printing ...	300
Petty expenses paid by branch manager ...	280

Depreciation is to be provided on branch furniture at 10 % p.a. :

Stock on 31st December 2001 at invoice price ...	14,000
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16. Rajeev keeps his books by the Single Entry method. His position on 31st March 1999 was as follows :-

	Rs.
Cash in hand ...	2,400
Cash at bank ...	25,500
Debtors ...	18,400
Stock ...	28,600
Furniture ...	5,000
Creditors for goods ...	18,700
Expenses outstanding ...	2,000

On 1st October 1999 Rajeev introduced Rs. 10,000 as for the capital in the business and withdrew on the same date Rs. 7,000 out of which he spent Rs. 5,000 on the purchase of machine for the business. On 31st March 2000 his position was as follows :

	Rs.
Cash in hand	2,100
Cash at bank	27,500
Stock	31,500
Debtors	24,200
Furniture	6,000
Creditors	25,200
Prepaid insurance	200

Prepare the necessary statement showing the profit or loss made by him during the year ended 31st December 2000 after making the following adjustments :—

Depreciate Furniture and Machine at 10 % p.a. Write off bad debts Rs. 1,200 ; and provide 5 % for doubtful debt. Goods taken for personal use amounted to Rs. 1,500. Also provide interest on capital at 10 % p.a.

17. The Madras Transport Company purchased Motor Lorries from the Bombay Motor Co., on a Hire Purchase agreement on 1st January 2001, paying cash Rs. 10,000 and agreeing to pay three further instalments of Rs. 10,000 each on 31st December of every year. the cash price of the Lorries is Rs. 37,250 and the Motor Company charges interest at 5 % p.a. The Transport company write off 10 % depreciation evrey year on the cash value of the Lorries on the reducing balance method. Make necessary journal entries in the books of Madras Transport Company.
18. Prepare Income and Expenditure Account and Balance Sheet of a club for the year ending 31st December 2000 from the following :—

Receipt and Payment Account

<i>Receipts</i>	Rs.	<i>Payments</i>	Rs.
Life member fees	4,000	Land and Building	24,500
Donations	25,000	Tournament expenses	1,100
Entrance fees	5,000	Furniture	1,500
Tournament fund	1,500	Purchasing sports	
Revenue Receipts :		materials	1,200
Subscriptions	2,200	Revenue Payments :	
Bar receipts	1,300	Printing and	
Interest on		Stationery	125
securities	300	Salaries	1,200
Cricket fees	500	Telephone	200

