



BUSINESS FINANCE

Duration : 2 Hours

Total Marks : 80

Instructions :

- i) All Questions are **compulsory**, however internal choice is available.
- ii) Answer sub-questions in **Question. 1 and Question.2** in not more than 100 words each.
- iii) Answer questions **Question. 3 to Question. 6** each in not more than 400 words.
- iv) Figures to the **right** indicate marks to the question/ sub-question.
- v) Paper carries maximum of 80 marks.

- Q.1. Answer **any four** of the following: 16
1. Explain the meaning and benefits of balanced – capitalization.
 2. Explain the essential of a good financial plan.
 3. Discuss the role of business finance in an organization.
 4. Distinguish between business finance and corporate finance.
 5. Explain the advantages and disadvantage of the earning theory of capitalization.
 6. Distinguish clearly between cost theory and earning theory of capitalization.
- Q.2. Answer **any four** of the following: 16
1. Explain the features of sound capital structure.
 2. What is fixed capital ? Explain its features.
 3. Distinguish between high and low capital gearing.
 4. Explain the meaning and functions of UTI
 5. Explain the types of working capital.
 6. Explain the meaning and functions of LIC.
- Q.3. A. What is a financial plan? Explain the types of financial plan. 12
- OR**
- Q.3. B. Discuss the steps involved in financial planning. 12
- Q.4. A. Define under – capitalisation and state the causes and effects of under – capitalisation. 12
- OR**
- Q.4. B. What is over – capitalisation? State the causes and effects of over –capitalisation. 12
- Q.5. A. Explain the concept and types of trading on equity. 12
- OR**
- Q.5. B. Explain the concept of Capital gearing with suitable example. 12
- Q.6. A. “Financial institutions have changed their functions and role in recent years.” Explain. 12
- OR**
- Q.6. B. Explain the role of IDBI and IFCI in the field of industrial growth. 12

Fr. Agnel College of Arts and Commerce, Pilar – Goa
S.Y.B.Com Third Semester
Semester End Examination, October 2010

BUSINESS ECONOMICS II

Duration : 2 Hours

Total Marks : 80



Instructions :

- i) All Questions are **compulsory**, however internal choice is available.
- ii) Answer sub-questions in **Question. 1 and Question.2** in not more than 100 words each.
- iii) Answer questions **Question. 3 to Question. 6** each in not more than 400 words.
- iv) Figures to the **right** indicate marks to the question/ sub-question.
- v) Paper carries maximum of 80 marks.

Q 1. Write short notes on: (any four)

(4 x 4 = 16)

a) IFCI b) IDBI c) ICICI d) SFC's e) Mutual Funds f) Chit Funds

Q 2. Write short notes on: (any four)

(4 x 4 = 16)

a) State Cooperative Bank b) LDB's c) RRB's d) UTI e) Money lenders f) Collateral loan market

Q3. A. Describe the characteristics of a developed money market.

(12)

OR

Q3. B. Explain the problems of the Indian Money Market.

(12)

Q4. A. Briefly explain the functions of the commercial banks.

(12)

OR

Q4 B Bring out the important role of commercial banks in an economy.

(12)

Q5 A Describe the functions performed by the RBI.

(12)

OR

Q5 B Explain the credit control measures of the RBI.

(12)

Q6. A. Describe the process of credit creation by the commercial banks.

(12)

OR

Q6 B. Evaluate the limitations to the process of credit creation by the commercial banks. (12)



Fr. Agnel College of Arts and Commerce, Pilar – Goa

S.Y.B.Com.

Third Semester Examination, October 2010

BUSINESS COMMUNICATION

Duration : 2 Hours

Total Marks : 80

Instructions :

- i) All Questions are **compulsory**, however internal choice is available.
- ii) Answer sub-questions in **Question. 1 and Question.2** in not more than 100 words each.
- iii) Answer questions **Question. 3 to Question. 6** each in not more than 400 words.
- iv) Figures to the **right** indicate marks to the question/ sub-question.
- v) Paper carries maximum of 80 marks.

- Q.1. Answer short notes on **any four** of the following: 16
- i. Describe with an illustration, the workings of the communication cycle.
 - ii. Obtaining feedback is an essential part of Business Communication.
 - iii. Explain the various ingredients of non verbal communication.
 - iv. What is projective listening?
 - v. Graphs and maps convey technical information.

- Q.2. Answer **any four** of the following: 16
- i. The W.A.S.P. technique of conducting an interview.
 - ii. Symposiums and panel discussions.
 - iii. Resolutions.
 - iv. Press conferences.
 - v. What are the advantages of meetings?

Q.3. A. Listening involves making an effort to get the speaker's full meaning. What are ways in which a business person can become a better listener?

12

OR

Q. 3. B. Communication is not always successful. Discuss how Status and Language can prove to be obstacles to effective communication.

12

Q.4. A. Discuss the dos and don'ts to be considered by a candidate appearing for an interview.

12

OR

Q. 4. B. Explain the relevance of conducting Introduction, Appraisal and Exit interviews.

12

Q.5. A. Elaborate on the Chairperson's duties and responsibilities as leader of an assembled group.

12

OR

Q. 5. B. A Notice, Agenda and Minutes are an integral part of a meeting. Discuss their significance.

12

Q.6. A. PR is a fundamental attitude of mind and a philosophy of management. Discuss the tools of External Public Relations.

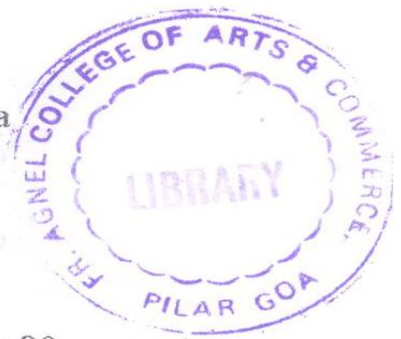
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OR

Q.6. B. An organization needs good internal PR relations with employees. What are the means used to achieve this objective?

12

Fr. Agnel College of Arts and Commerce, Pilar – Goa
S.Y.B.Com. Third Semester
Semester End Examination, October 2010



BUSINESS ENVIRONMENT

Duration: 2 Hours

Total Marks: 80

Instructions :

- i) All Questions are **compulsory**, however internal choice is available.
- ii) Answer sub-questions in **Question. 1 and Question.2** in not more than 100 words each.
- iii) Answer questions **Question. 3 to Question. 6** each in not more than 400 words.
- iv) Figures to the **right** indicate marks to the question/ sub-question.
- v) Paper carries maximum of 80 marks.

Q.1. Answer any four of the following:

16

- i. Explain the term Business Environment.
- ii. 'The Joint Family System has largely broken up in the post independence era'. Why?
- iii. What are the effects of Global Warming on the economy?
- iv. Give any two components of the External Environment.
- v. Write a short note on Social Responsibility.
- vi. What are the constraints on the growth of technology?

Q.2. Answer any four of the following:

16

- i. What is the need for Appropriate Technology in Developed Countries.
- ii. Explain Firm as an Economic unit.
- iii. What is the need for Fundamental Rights?
- iv. Highlight a few changes brought about in Business due to Information and Communication technology.
- v. What are the objectives of the public sector?
- vi. What is the purpose the Preamble serves?

Q.3. A. Briefly explain the characteristics of business?

12

OR

Q.3. B. Why is Ethics important in business?

12



Q.4. A. Show the impact of Technology on the Economy. 12
OR

Q.4. B. Explain the term Privatization. Highlight arguments supporting Privatization. 12

Q.5. A. Outline the various measures introduced to promote the Small Scale Industries. 12

OR

Q.5. B. i. What are the causes of Regional imbalances? 6

ii. What are the measures used to remove Regional imbalances? 6

Q.6. A. Explain the important key words of the Preamble. 12

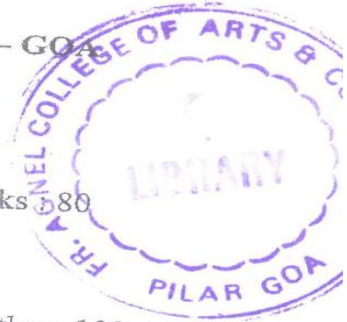
OR

Q.6. B. Briefly explain Fiscal Federalism in India. 12

Fr. AGNEL COLLEGE OF ARTS AND COMMERCE, PILAR – GOA
S.Y.B.Com
Semester III Examination, October 2010
BUSINESS LAW

Duration : 2 Hours

Total Marks 80



Instructions :

- i. All Questions are **compulsory**, however internal choice is available.
- ii. Answer sub-questions in **Question. 1 and Question.2** in not more than 100 words each.
- iii. Answer questions **Question. 3 to Question. 6** each in not more than 400 words.
- iv. Figures to the **right** indicate marks to the question/ sub-question.
- v. Paper carries maximum of 80 marks

Q.1. Answer **any four** of the following:

- a) State the various ways in which unsoundness of mind may arise.
- b) What do you understand by the terms 'Void' and 'voidable' contracts
- c) Who can refer disputes to Arbitration?
- d) State the different types of partnership?
- e) What is the difference between sale and bailment?
- f) What is a general offer and specific offer?
- g) What is the meaning of Meaning of conciliation

(16)

Q.2. Answer **any four** of the following:

- a) What can be referred to arbitration?
- b) Explain fraud, misrepresentation and mistake?
- c) Define and distinguish between Indemnity and guarantee
- d) What is the procedure for commencement of conciliation proceedings
- e) What is an offer and how is it different from invitation to offer?
- f) Explain what is the test of partnership

(16)

Q.3. A What are the duties of bailee or Duties of bailor

OR

Q.3.B Explain the various rights of a surety.

(12)

Q.4.A Explain the various modes of arbitration

OR

Q.4.B What are the duties of a partner?

(12)

Q.5. A Explain the various types of agreements expressly declared void by the Indian Contract Act Agreements expressly declared void

OR

Q.5. B Explain termination of agency

(12)

Q.6.A. State the various essentials of a valid arbitration agreement

OR

Q.6.B State 6 out of the ten essentials elements of a valid contract

(12)

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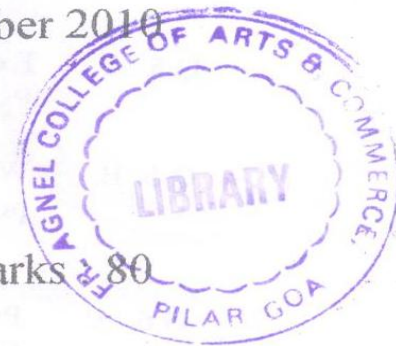
S.Y.B.Com. Third Semester Examination, October 2010

ADVERTISING

(Applied Component)

Duration : 2 Hours

Total Marks : 80



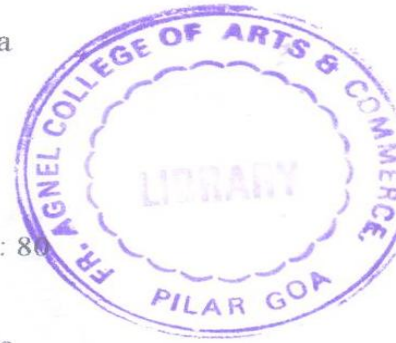
Instructions :

- i) All Questions are **compulsory**, however internal choice is available.
- ii) Answer sub-questions in **Question. 1 and Question.2** in not more than 100 words each.
- iii) Answer questions **Question. 3 to Question. 6** each in not more than 400 words.
- iv) Figures to the **right** indicate marks to the question/ sub-question.
- v) Paper carries maximum of 80 marks.

- Q.1. Answer **any four** of the following: 16
- i. Give any two definitions of the term advertising.
 - ii. How does advertising promote production and distribution?
 - iii. The advertising agency plays an important role in the advertising process. Give reasons.
 - iv. Need and relevance of public service advertising.
 - v. What is point of purchase advertising?
- Q.2. Answer **any four** short notes: 16
- i. Should a salesperson indulge in a counter argument with an argumentative customer? Explain.
 - ii. What are Buying Motives?
 - iii. Explain the types of emotional appeals used by advertisers.
 - iv. Role of the A.S.C.I.
 - v. Explain the term Media Planning.
- Q.3. A. Write a detailed note on the benefits of advertising to consumers, salespersons and society in general. 12
- OR**
- Q.3. B. The persuasive element in advertising has provoked critics. Discuss the economic and ethical objections leveled against advertising and the corrective measures possible to overcome them. 12
- Q.4. A. Elaborate on the advantages and disadvantages of magazine advertising. 12
- OR**

- Q.4. B. Discuss the characteristics, merits and demerits of outdoor advertising. 12
- Q.5. A. Explain the meaning and importance of the A.I.D.A. Model and the Creative Pyramid in the process of visualization. 12
- OR**
- Q.5. B. What are Selling Points? Distinguish between buying motives and selling points. 12
- Q.6. A. Product Research is a process of gathering essential facts about the product. Elaborate on its need and importance. 12
- OR**
- Q.6. B. Advertising as a medium of mass communication is growing in popularity in India. Comment. 12

Fr. Agnel College of Arts and Commerce, Pilar – Goa
 S.Y.B.Com. Third Semester
 Semester End Examination, October 2010
APPLIED COMPONENT PAPER
Distribution and Retail Management



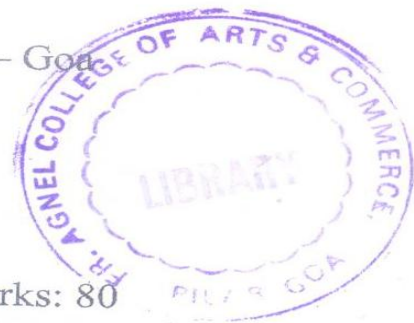
Duration : 2 Hours

Total Marks : 80

Instructions :

- i) All Questions are **compulsory**, however internal choice is available.
- ii) Answer sub-questions in **Question. 1 and Question.2** in not more than 100 words each.
- iii) Answer questions **Question. 3 to Question. 6** each in not more than 400 words.
- iv) Figures to the **right** indicate marks to the question/ sub-question.
- v) Paper carries maximum of 80 marks.

- Q.1. Answer **any four** of the following: 16
- i) Why is retailing in India said to be a buzzword today?
 - ii) Explain the functions of a retailer in a competitive business environment.
 - iii) Explain the positive and negative aspects of convenience stores.
 - iv) Explain the characteristics of direct selling format.
 - v) Describe the concept of specialty stores.
 - vi) Write a note on Natural Selection Theory.
- Q.2. Answer **any four** of the following: 16
- i) Why is store location an important decision for retailers?
 - ii) Store design acts as a silent market aid. Explain.
 - iii) Discuss the significance of graphics and signages.
 - iv) Explain the role played by planogram in store design.
 - v) Explain the factors to be considered while selecting store layout.
 - vi) Explain the concept of Visual Merchandising.
- Q.3. A. Explain the cyclical theories in retailing .How are they helpful in forming retail decisions 12
- OR**
- Q.3. B. Explain the stages of Retail Life Cycle. 12
- Q.4. A. What merits and demerits do hypermarkets have in comparison with supermarkets. 12
- OR**
- Q.4. B. Explain the classification of Retail Formats on the basis of Non-Store Retailing. 12
- Q.5. A. Discuss Free standing location with suitable examples. 12
- OR**
- Q.5. B. Explain Part of Business District with suitable examples. 12
- Q.6. A. What do you mean by Employee theft? Explain the approaches for reducing employee theft. 12
- OR**
- Q.6. B. Explain shoplifting and the measures to reduce shoplifting. 12



Rural Marketing

Duration: 2 Hours

Total Marks: 80

Instructions:

- i) All Questions are **compulsory**, however internal choice is available.
- ii) Answer sub-questions in **Question. 1 and Question.2** in not more than 100 words each.
- iii) Answer questions **Question. 3 to Question. 6** each in not more than 400 words.
- iv) Figures to the **right** indicate marks to the question/ sub-question.
- v) Paper carries maximum of 80 marks.

- Q.1. Answer **any four** of the following: 16
- i. Rural and urban market
 - ii. Features of rural marketing
 - iii. Benefits of market segmentation
 - iv. Sources of rural purchasing capacity
 - v. Behavioral segmentation
 - vi. TRIM & MICA
- Q.2. Answer **any four** of the following: 16
- i. AGMARK
 - ii. Social Marketing
 - iii. Importance of cooperative societies
 - iv. Microfinance
 - v. Private sources of agricultural finance
 - vi. Regional rural banks
- Q.3. A. Explain the various benefits of rural marketing 12
- OR**
- Q.3. B. Explain the factors contributing to the growth of rural market. 12
- Q.4. A. Define segmentation. Explain the geographic, Demographic and socio economics segmentation 12
- OR**
- Q.4. B. Comment on the political, economic and legal environment of Indian rural market. 12
- Q.5. A. Explain the different marketing strategies for Rural marketing 12
- OR**
- Q.5. B. State the growing opportunities in Rural market. 12
- Q.6. A. Explain the factors contributing to the change in Rural Demand. What is NABARD? Explain its functions. 06
- 06
- Q.6. B. What are the pitfalls of the non-institutional sources of finance? Present a generic profile of the rural consumers. 06
- 06



STATISTICAL TECHNIQUES

Duration : 2 Hours

Total Marks : 80

Instructions :

- i) All Questions are **compulsory**, however internal choice is available.
- ii) Graph papers will be supplied on request.
- iii) Non-programmable calculators are allowed.
- iv) Figures to the **right** indicate marks to the question/ sub-question.
- v) Paper carries maximum of 80 marks.

Q.1. Answer **any four** of the following:

16

- i. State the limitations of statistics.
- ii. The following data gives the marks obtained by 30 students in an examination . Find the percentage frequencies.

| | | | | | |
|----------------|------|-------|-------|-------|-------|
| Class-interval | 0-10 | 10-20 | 20-30 | 30-40 | 40-50 |
| Frequency | 0 | 6 | 7 | 7 | 10 |

- iii. The following are the weights in kilograms of a group of 40 students

| | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|----|
| 42 | 74 | 40 | 60 | 82 | 41 | 61 | 75 | 83 | 63 |
| 53 | 76 | 84 | 50 | 67 | 78 | 77 | 63 | 65 | 65 |
| 68 | 80 | 79 | 54 | 73 | 59 | 81 | 66 | 49 | 77 |
| 90 | 84 | 64 | 69 | 72 | 50 | 79 | 94 | 86 | 71 |

Prepare a frequency table by exclusive method starting with the interval

40-47
 12+49

40-47
 48-40

- iv. Draw a subdivided bar diagram to represent the following data relating to the disposable profits.

| | | |
|---------|-----------------------------------|----------------------------|
| Year | Dividends on equity(Rs. in lakhs) | Plough back (Rs. in lakhs) |
| 1974-75 | 53 | 60 |
| 1975-76 | 53 | 82 |
| 1976-77 | 58 | 90 |
| 1977-78 | 69 | 84 |
| 1978-79 | 78 | 150 |

- v. The following is the distribution of annual rainfall in India recorded at a certain place in 1921-1970. Find the fourth decile.

| | | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|
| Rain-fall inches | 20-25 | 25-30 | 30-35 | 35-40 | 40-45 | 45-50 | 50-55 |
| No of years | 2 | 5 | 8 | 12 | 10 | 7 | 6 |

- vi. Explain the different types of kurtosis.

Q.2. Answer **any four** of the following:

16

- i. Define median . mode.

ii. For the following data find mode

| | | | | | | |
|-----------------|-------|-------|-------|-------|--------|---------|
| I.Q. Group | 10-30 | 30-50 | 50-70 | 70-90 | 90-110 | 110-130 |
| No. of students | 4 | 10 | 14 | 12 | 8 | 6 |

iii. Given mean = 50, standard deviation = 12, coefficient of skewness = 0.25, find median.

iv. Explain the different types of index numbers.

v. Find trend by semi-average method

| | | | | | | | | |
|---------------------|------|------|------|------|------|------|------|------|
| Year | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 |
| Production of wheat | 51 | 53 | 56 | 55 | 58 | 62 | 61 | 65 |

vi. Compute three yearly moving averages

| | | | | | | | | |
|-------------|------|------|------|------|------|------|------|------|
| Year | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
| Price index | 110 | 115 | 116 | 118 | 119 | 120 | 122 | 124 |

Q.3. Attempt the following

A) Draw a greater than or equal to type ogive for the following data

| | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|--------|
| Month-ly wages | 50-55 | 55-60 | 60-65 | 65-70 | 70-75 | 75-80 | 80-100 |
| No. of worker | 5 | 10 | 22 | 30 | 16 | 12 | 15 |

B) A travelling salesman for the first few months of the year accounted for an average sale of 1,00,000 per month. During the rest of the month of the year he improved his performance by recording his average sales of 1,24,000. However his average sale per month for the whole year was 1,20,000. Find the number of months in the two parts of the year.

OR

Q.3. Attempt the following

X) Find the value of median from the following data

| | | | | | | | | |
|-----------------|-------|--------|---------|---------|---------|---------|---------|---------|
| Weight (in Kg) | 93-97 | 98-102 | 103-107 | 108-112 | 113-117 | 118-122 | 123-127 | 128-132 |
| No. of students | 3 | 5 | 12 | 17 | 14 | 6 | 3 | 1 |

Y) Construct a histogram for the following data

| | | | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Age (in years) | 20-25 | 25-30 | 30-35 | 35-40 | 40-45 | 45-50 | 50-55 | 55-60 |
| No. of employees | 1 | 3 | 6 | 10 | 14 | 9 | 5 | 2 |

Q.4. Attempt the following

A) An analysis of the monthly wages paid to the workers in two firms A and B belonging to the same industry , gives the following results

| | Firm A | Firm B |
|------------------------------|-----------------|------------------|
| No. of wage earners | 550 | 650 |
| Average monthly wages | Rs.50 | Rs. 45 |
| S.D of distribution of wages | Rs. $\sqrt{90}$ | Rs. $\sqrt{120}$ |

Find (i) which firm A or B pays out larger amount as monthly wages?
 (ii) in which firm A or B is there greater variability in individual wages

B) In the construction of a certain cost of living index number , the following group index numbers were found . Calculate the cost of living index numbers by using weighted arithmetic mean .

| Group | Index No. | Weight |
|-----------------|-----------|--------|
| Food | 352 | 48 |
| Fuel & Lighting | 200 | 10 |
| Clothing | 230 | 8 |
| House Rent | 160 | 12 |
| Miscellaneous | 190 | 15 |

OR

Q.4. Attempt the following

X) Calculate Karl Pearsons measure of skewness for the following distribution

| Values | 5-10 | 10-15 | 15-20 | 20-25 | 25-30 | 30-35 | 35-40 |
|----------------|------|-------|-------|-------|-------|-------|-------|
| Frequ- ency | 6 | 8 | 17 | 21 | 15 | 11 | 2 |

Y) Split the following two index number series , series A forward and series B backward

| Year | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|----------|------|------|------|------|------|------|------|------|
| Series A | 100 | 125 | 138 | 145 | | | | |
| Series B | | | | 100 | 110 | 120 | 135 | 150 |

Q.5. Attempt the following

A) Calculate Laspeyres and Paasches price index numbers from the following data treating 1976 as base year

| Commodity | 1976 | | 1977 | |
|-----------|----------|-------|----------|-------|
| | Quantity | Price | Quantity | Price |
| Wheat | 562 | 170 | 612 | 72 |
| Rice | 535 | 198 | 756 | 70 |
| Sugar | 619 | 195 | 926 | 95 |
| Ghee | 128 | 187 | 255 | 92 |
| Fuel | 542 | 185 | 612 | 92 |
| Gold | 217 | 150 | 314 | 80 |



B) Obtain the trend of bank clearances by the method of moving averages (assume a five yearly cycle)

| | | | | | | |
|------------------------------------|------|------|------|------|------|------|
| Year | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 |
| Bank clearances (in crores of Rs.) | 53 | 79 | 76 | 66 | 69 | 94 |
| Year | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 |
| Bank clearances (in crores of Rs.) | 105 | 87 | 79 | 104 | 97 | 72 |

OR

Q.5. Attempt the following

X) Fit a trend line to the following data. Hence estimate sales in 1989

| | | | | | | | |
|-------|------|------|------|------|------|------|------|
| Year | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 |
| Sales | 10 | 14 | 17 | 20 | 26 | 25 | 32 |

Y) Construct Chain base index and Fixed base index from the following data

| | | | | |
|------------|------|------|------|------|
| Year | 1984 | 1985 | 1986 | 1987 |
| Link index | 100 | 105 | 95 | 115 |

Q.6. Attempt the following

A) Determine the equation of first degree trend curve for the following data and hence estimate sales in 1974

| | | | | | | |
|----------------------------|------|------|------|------|------|------|
| Year | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 |
| Production (in metric ton) | 68 | 62 | 61 | 63 | 65 | 68 |

B) Calculate appropriate coefficient of skewness

| | | | | | | | | |
|----------------|----------|-------|-------|-------|-------|-------|-------|-------|
| Age (in years) | Below 25 | 25-30 | 30-35 | 35-40 | 40-45 | 45-50 | 50-55 | 55-60 |
| No. of persons | 6 | 7 | 10 | 18 | 15 | 12 | 7 | 5 |

OR

Q.6. Attempt the following

(X) Determine the equation of second degree trend curve for the following data and estimate sales in 1989

| | | | | | |
|-------|------|------|------|------|------|
| Year | 1984 | 1985 | 1986 | 1987 | 1988 |
| Sales | 20 | 22 | 26 | 38 | 60 |

(Y) For a group of 10 items $\sum x = 452$, $\sum x^2 = 24270$, mode = 43.7. Find the Pearson's coefficient of skewness.

ACCOUNTING - III



Duration : 2 Hours

Total Marks : 80

Instructions :

- Question No. 1 is Compulsory.
- Answer any **three** questions from Q.No.2 to Q.No.6
- All questions carry equal marks
- Working notes should form part of answers
- Figures to right indicate marks.

Q.1. From the following trial balance of Mr. Kishan, prepare Columnar Farm account, General Profit and Loss account for the year ended 31.3.2010 and Balance Sheet as on that date

20

| Debit Balances | | Rs. | Credit Balances | | Rs. |
|-----------------------|--|-----------------|-----------------|--|-----------------|
| Cash | | 16,000 | Capital | | 80,000 |
| Farm Machinery | | 40,000 | Creditors | | 8,000 |
| Land | | 80,000 | Bank Loan | | 34,800 |
| Opening Stock: | | | Sales: | | |
| Paddy | | 2,000 | Paddy | | 12,000 |
| Potatoes | | 3,200 | Potatoes | | 8,000 |
| Cattle | | 4,000 | Sugarcane | | 12,000 |
| Sheep | | 2,800 | Cattle | | 40,000 |
| Purchases: | | | Sheep | | 12,000 |
| Cattle | | 36,000 | Milk | | 8,000 |
| Cattle feed | | 4,000 | Manures | | 4,000 |
| Sheep | | 4,000 | | | |
| Seeds | | 5,000 | | | |
| Manures | | 1,000 | | | |
| Crop Expenses | | 2,800 | | | |
| Livestock Expenses | | 4,000 | | | |
| Repairs to Machinery | | 1,200 | | | |
| Oil for Machinery | | 2,000 | | | |
| Electricity | | 800 | | | |
| Rent and Rates | | 4,000 | | | |
| Insurance | | 800 | | | |
| Wages (general) | | 3,200 | | | |
| Bank Interest | | 2,000 | | | |
| | | 2,18,800 | | | 2,18,800 |

Adjustments:

- Closing Stock on 31.3.2010: Paddy Rs. 4,000; Potatoes Rs. 2,400; Cattle Rs. 600; Sheep Rs. 4,000
- Provide depreciation on farm machinery at 10%
- Mr. Kishan consumed potatoes of Rs. 400, milk of Rs. 800 and Paddy of Rs. 2,800 from the farm output.
- 50% of Rent and Rates are for Mr. Kishan's residence.

Q.2. Indian Finance Company held on 1st January 2009 Rs. 1,00,000 in 12% Government Loan at Rs. 95,000. On 31st May 2009, the company purchased further Rs. 40,000 of loan @ Rs. 96 cum interest. On 31st July, 2009 Rs. 30,000 of loan was sold at Rs. 94 ex-interest. On 30th November 2009, Rs. 20,000 of loan was sold @ Rs. 96 cum interest. On 30th November 2009, Rs. 20,000 of loan was purchased @ Rs. 97 cum-interest. Interest is receivable on 31st March and 30th September. Brokerage is paid on buying and selling at 20 paise per Rs. 100. Prepare 12% Government Loan Account for the year ending 31st December 2009, valuing investment at cost applying FIFO method.

Q.3

Mr. Anand started his business on 1st April 2007 with a capital of Rs. 4,550. Profit earned for the year 2007-08 is Rs. 2,000 and 2008-09 is Rs. 1,000. There was a loss of Rs. 900 in 2009-10. His total drawings amounted to Rs. 5,000. Prepare Statement of Affairs and deficiency Account as on 31.3.2010, the day on which he became insolvent.

Cash Rs. 150
 Stock Rs. 500 estimated to realize Rs. 250
 Debtors Good Rs. 4,000
 Doubtful Rs. 1,000 estimated to realize Rs. 250
 Bad Rs. 750
 Furniture Rs. 300
 Investment in shares Rs. 300 estimated to realize in full
 Unsecured Creditors Rs. 5,500
 Value of securities held by Secured Creditors Rs. 1,750 estimated to realize in full
 Preferential claim Rs. 100
 Secured Creditors Rs. 1,500

Q.4

From the following Trial Balance of Vivanta Hotel, prepare a Trading and Profit and Loss account for the year ended 31.3.2010 and a Balance Sheet as on that date.

| Particulars | Debit Rs. | Credit Rs. |
|--------------------------|-----------------|-----------------|
| Opening Stock | 12,500 | |
| Receipts from visitors | | 3,52,460 |
| Fuel and light | 9,640 | |
| Rent and Rates | 12,330 | |
| Advertising | 7,200 | |
| Purchases | 1,12,760 | |
| China, linen and Cutlery | 14,270 | |
| Wages and Salaries | 1,04,110 | |
| Carriage | 3,400 | |
| Furniture and Fittings | 74,300 | |
| Bad debts | 2,150 | |
| Drawings | 15,300 | |
| Capital | | 2,49,000 |
| Visitors Ledger balances | 13,150 | |
| Creditors | | 12,500 |
| Loan | 80,000 | |
| Leasehold Premises | 1,05,000 | |
| Cash at Bank | 43,750 | |
| Provision for bad debts | | 400 |
| Repairs to Furniture | 4,500 | |
| | 6,14,360 | 6,14,360 |

Additional Information:

- Stock on 31.3.2010 Rs. 9,450
- Provide for depreciation:
 - Furniture and Fittings 10%
 - Leasehold Premises Rs. 3,000
 - China, Cutlery and Lined were revalued at Rs. 12,500
- Increase provision for bad debts to Rs. 500 and create a provision for discount received equal to 2% on creditors.
- Provide for outstanding loan interest Rs. 4,000.
- Treat Rs. 1,700 of the advertising as paid in advance.

- Q.5 Atish Company issues 5,000 equity shares of Rs. 100 each at par and 250 debentures of Rs. 1,000 each at Rs. 950. The whole of the issue has been underwritten by Sunil and Company for a commission of 4% on shares and 2% on debentures (nominal value). The whole of the shares were applied for, but applications for 200 debentures were received. All the applications were accepted.
- Give journal entries to record the above transactions and prepare the Balance Sheet at this stage, assuming that all amounts due have been received.

- Q.6 Write short notes on: 20
- a. Salient features of Hotel Accounting
 - b. Objectives of Farm Accounting
 - c. Partial Underwriting
 - d. Insolvency Procedure





Fr. Agnel College of Arts and Commerce, Pilar-Goa
S.Y.B.Com

Semester-III Examination, Oct '2010

FINANCIAL ACCOUNTING

Duration : 2 Hours

Total marks : 80

Instructions:

- i) Question no 1 is compulsory.
- ii) Answer any three question from Q. no 2 to Q.no 6.
- iii) Figures to the right indicate marks to the Question.

Q1- Product A passes through three processes, before it is transferred to the finished stock. The following information is obtained for the month of July 2010 (20)

| | Process I Rs | Process II Rs | Process III Rs | Finished stock Rs |
|---|-----------------|------------------|-------------------|----------------------|
| Opening stock | 5,000 | 8,000 | 10,000 | 20,000 |
| Direct materials | 40,000 | 12,000 | 15,000 | - |
| Direct wages | 35,000 | 40,000 | 35,000 | - |
| Manufacturing overheads | 20,000 | 24,000 | 20,000 | - |
| Closing stock | 10,000 | 4,000 | 15,000 | 30,000 |
| Profit percentage on transfer to next process | 25% | 20% | 10% | - |
| Inter – process profit for opening stock | - | 1,395 | 2,690 | 6,534 |

Stock in the process is values at prime cost and finished stock has been valued at the price at which it is received from process III. Sales during the period were Rs. 4,00,000.

Prepare Process Cost Accounts

Q2- A Undertook a contract for Rs. 10,00,000. He incurred the following expenses during the year: (20)

| | Rs |
|---|----------|
| Materials issued from stores | 1,00,000 |
| Materials purchased for the contract | 90,000 |
| Plant installed at cost | 70,000 |
| Wages paid | 2,00,000 |
| Wages accrued due on 31.12.2009 | 80,000 |
| Direct expenses paid | 20,000 |
| Direct expenses accrued due on 31.12.2009 | 5,000 |
| Establishment expenses | 13,000 |

CONT...

