B.Com DEGREE EXAMINATION,APRIL 2019
I Year II Semester
Financial Accounting - II

Time : 3 Hours **Max.marks :75**

Section A $(10 \times 2 = 20)$ Marks

Answer any **TEN** questions

1. What is meant by Dependent Branch?
2. List out the methods of calculating Goodwill while admitting a partner.
3. Write a note on Inter-departmental transfer at selling price.
4. What do you mean by Dissolution of a firm?
5. The Kanpur Shoe Company opened a branch at Delhi in 2018. From the following particulars prepare Delhi Branch A/c for the year 2018.

	Rs.
Goods sent to branch	15,000
Cash sent to branch for expenses	6,000
Cash received from the branch	24,000
Stock on 31-12-2018	2,300
Petty cash in hand	40

6. A company has two departments A and B. Dept. A supplies goods to Dept. B at its usual selling price. From the following figures prepare Departmental Trading A/c for the year 2018.

	Dept. A (Rs.)	Dept. B (Rs.)
Opening stock (1-1-2018)	30,000	-
Purchases	2,10,000	-
Transfer to B	50,000	50,000
Sales	2,00,000	60,000
Closing stock (31-12-2018)	40,000	10,000

7. Mr. Raman Purchases a motor car from Mr. Bharath whose cash price is Rs.56,000 on 1.1.2015. Rs.15,000 is paid on signing the contract and the balance is to be paid in three equal annual instalments of Rs.15,000 each. The rate of interest is 5% p.a. Calculate the amount of interest included in each instalment.
8. Prem and Chandra share profits in the ratio of 7:3. Rama was admitted as a partner. Prem surrendered $\frac{1}{7}^{th}$ of his share and Chandra $\frac{1}{3}$ of his share in favour of Rama. Calculate new ratio.
9. From the following particulars, calculate closing branch debtors balance:

	Rs.
Branch debtors(1-1-2018)	6,300
Credit sales	39,000
Cash received from debtors	41,200

10. What Journal entries would be passed for the following transactions on the dissolution of a firm, after various assets (other than cash) and liabilities have been transferred to Realisation A/c.

    (a) Bank loan Rs.12,000 is paid (b) Stock worth Rs.6,000 is taken over by partner B

11. X purchased machinery under hire purchase agreement from Y. The cash price of the machinery was Rs.15,500. The payment was to be made as follows:

	Rs.
On signing the agreement	3,000
First year end	5,000
Second year end	5,000
Third year end	5,000

Calculate interest for each year.

12. The following were the profits earned by Meena and Veena for the past four years.

	Rs.
2015	60,000
2016	80,000
2017	1,00,000
2018	1,40,000

You are required to value the goodwill on the basis of 3 years purchase of weighted average profit, assigning weights of 1,2,3 and 4 respectively for the four years.

Section B $(5 \times 5 = 25)$ Marks

Answer any **FIVE** questions

13. Distinguish between Hire Purchase and Instalment Purchase system.

14. A Madras head office has a branch at Salem to which goods are invoiced at cost plus 20%. From the following particulars, prepare Branch A/c in the head office books.

	Rs.
Goods sent to branch	2,11,872
Total sales	2,06,400
Cash sales	1,10,400
Cash received from Branch debtors	88,000
Branch debtors on 1-1-2018	24,000
Branch stock on 1-1-2018	7,680
Branch stock on 31-12-2018	13,440

15. A company had two departments M and N. M department supplies goods to N department at its usual selling price (i.e) 20% on selling price. From the following figures, prepare Departmental Trading and Profit and Loss A/c for the year 2018.

	Dept. M (Rs.)	Dept. N (Rs.)
Opening stock 1-1-2018	30,000	-
Purchases	2,10,000	-
Transfer to N department	50,000	50,000
Sales	2,00,000	60,000
Closing stock (31-12-2018)	40,000	10,000
Salaries	12,000	1,000
Other expenses	3,000	500
Postages	500	100
Discounts received	2,500	1,000

16. X Purchased a machine under hire purchase system. According to the terms of the agreement

Rs.40,000 was to be paid on signing of the contract. The balance was to be paid in four annual instalments of Rs.25,000 each plus interest. The cash price was Rs.1,40,000. Interest is chargeable on outstanding balance at 20% per annum. Calculate interest for each year and the instalment amount.

17. P and Q are partners in a firm sharing profits in the ratio of 4:3. On 1st Jan. 2018 they decide to admit 'R' as a partner. R brought in Rs.60,000 as his capital and Rs.14,000 for 1/3rd share of goodwill premium. On R's admission, goodwill appeared in the books of the firm at Rs.21,000. Record the necessary Journal entries in the firm's books on R's admission and also ascertain the new profit sharing ratio and sacrifice ratio.

18. P, Q and R share profits in proportion of $\frac{1}{2}$, $\frac{1}{4}$ and $\frac{1}{4}$. On the date of dissolution their Balance sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	14,000	Sundry Assets	40,000
P's capital	10,000		
Q's capital	10,000		
R's capital	6,000		
	40,000		40,000

The assets realised Rs.35,000. Creditors were paid in full. Realisation expenses amounted to Rs.1,500. Close the books of the firm.

19. From the following details of a businessman who sells goods of small value at cost plus 50%. Prepare Hire purchase Trading A/c

		Rs.
1.1.2018	Stock out with the customers at H.P. price	9,000
	Stock at shop at cost price	18,000
	Instalments due but not received	5,000
31.12.2018	Goods worth Rs.500 repossessed (Inst. not due Rs.2,000)	
	Cash received from customers	60,000
	Purchases made during the year	60,000
	Stock at cost at shop (excluding the goods repossessed)	20,000
	Instalments due but received	9,000
	Stock out at Hire Purchase price with the customers	30,000

Section C $(2 \times 15 = 30)$ Marks

Answer any **TWO** questions

20. A head office invoices goods to its branch at cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the H.O. From the following particulars, prepare the necessary accounts on the stock & debtors system to show the profit or loss at the branch.

	Rs.		Rs.
Stock on 1.1.2018(invoice price)	27,900	Goods returned by debtors	3,600
Debtors on 1.1.2018	20,400	Goods returned to H.O.by Branch	4.500
Goods invoiced to the branch(invoice price)	1,53,000	Shortage of stock	1,350
Cash sales	75,000	Discount allowed	600
Credit sales	93,000	Expenses at the branch	16,200
Cash collected from debtors	91,200	Bad debts	600

21. The following purchases were made by a business house having three departments.

Department A - 1,000 units
Department B - 2,000 units } at a total cost of Rs.1,00,000
Department C - 2,400 units

Stocks on 1st January were:
Department A - 120 units
Department B - 80 units
Department C - 152 units
Sales were:
Department A - 1020 units at Rs.20 each
Department B - 1920 units at Rs.22.50 each
Department C - 2496 units at Rs.25 each
The rate of gross profit is same in each case. Prepare Departmental trading account.

22. A, B and C are partners in a firm sharing profits and losses in the ratio of 1/3 : 1/2 : 1/6 respectively. Their Balance sheet as on 31.3.2018 was as follows.

Liabilities	Rs.	Assets	Rs.
Reserve fund	16,000	Buildings	50,000
Capital		Machinery	40,000
A	30,000	Furniture	10,000
B	40,000	Stock	25,000
C	25,000	Debtors 18,000 Less: Provisions 500	17,500
Loan payable	15,000		
Sundry Creditors	25,000	Cash	8,500
	1,51,000		40,000

'C' retires on 31.3.2018 subject to the following conditions:

(a) Goodwill of the firm is valued at Rs.24,000
(b) Machinery to be depreciated by 10%
(c) Furniture to be depreciated by 5%
(d) Stock to be appreciated by 15% and buildings to be appreciated by 10%
(e) Reserve for doubtful debts to be raised to Rs.2,000

Prepare necessary ledger accounts and show the Balance Sheet of the new firm.

23. D, E, F and G are partners sharing 4:3:2:1. Their position statement was as follows:

Liabilities	Rs.	Assets	Rs.
Capital		Cash at bank	4,500
D	90,000	Machinery	1,32,000
E	60,000	Stock	60,000
Sundry Creditors	1,20,000	Debtors	1,20,000
Bank Loan	60,000	Capital accounts:	
		F	10,500
		G	3,000
	3,30,000		3,30,000

The firm is dissolved. All assets realised Rs.2,46,000. The sundry creditors and Bank loan were paid Rs.1,77,000 in full satisfaction. The expenses of dissolution are Rs.1,800. G became insolvent and F paid only Rs.9,000. Prepare ledger accounts to close the books of the firm.