B.Com(CS) 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 are Branch accounts?
2. What are departmental accounts?
3. Give the meaning of goodwill.
4. Name some expenses which cannot be apportioned.
5. What is Repossessed stock?
6. What is Hire Purchase agreement?
7. What is sacrifice ratio?
8. What is Memorandum Revaluation Account?
9. List out the adjustments needed at the time of admission of a new partner.
10. State the modes of Dissolution.
11. What is Stock Reserve?
12. What is meant by goods- in - transit?

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

Answer any **FIVE** questions

13. Distinguish between gaining ratio and sacrificing ratio.
14. From the following particulars, Calculate the net load on goods sent to branch.

	Rs.
Goods sent to branch (cost to H.O)	1,80,000
Goods returned by branch to H.O	25,000

Goods are invoiced to the branch at cost plus 25%.

15. There are 2 departments in a firm X and Y. Goods are transferred from Dept x to dept Y at usual selling price. You are required to compute stock Reserve on Stocks of Dept Y from the following.

G.P ratio of Dept X:	25% on cost
Opening Stock of Dept Y:	Rs. 50,000
Closing Stock of Dept Y:	Rs. 75,000

16. Aravind purchased machinery under the Hire purchase system from Mr. Balu. The price of machin-ery was Rs. 15,000. The payment was to be made as follows. On signing the agreement Rs. 3,000; end of the first year Rs. 5,000; end of the second year Rs. 5,000; end of the third year Rs. 5,000. Calculate the amount of interest included in each installment.

17. A firm earned net profits during the last three years as follows:

YEAR	Rs
I year	36000
II year	40000
III year	44000

The capital investment of the firm is Rs. 1, 20,000. A fair return on the capital having regard to the risk involved is 10%. Calculate the value of goodwill on the basis of 3 years purchase of super profits.

18. Apportion the following expenses on the basis of cost of goods sold ratio among the four depts. A, B, C, D.

Sales –A Rs.2, 00,000, B- Rs.1, 50,000, C- Rs. 1, 00,000, D-Rs. 50,000

GP Ratio: 20% on sales.

Expenses: Salaries: Rs. 6,000; Rent and rates: Rs.1,500; Insurance: Rs. 1,300.

19. What are the factors affecting the value of goodwill?

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

Answer any **TWO** questions

20. X Ltd. Of Madras has a branch at Trichy and in order to maintain strict control on stocks, invoices goods to branch at selling price which is cost plus 33 $\frac{1}{3}$%. From the following particulars make out the branch stock account, branch debtors A/c, and other necessary accounts to show the gross profit and net profit/loss made there.

	Rs	Rs	
Stock on 1.1.04 (invoice price)	15,000	Bad debts written off	250
Debtors on 1.1.04	11,400	Discount allowed to customers	300
Goods invoiced to branch (invoice price)	67,000	Expenses at the branch	6,700
Cash sales	31,000	Stock on 31.12.04 (invoice price)	13,400
Credit sales	37,400	Cash received from debtors	40,000

21. A firm had two depts., cloth and readymade garments. The garments were made by the firm itself out of cloth supplied by cloth dept at its usual selling

price. From the following figures, prepare trading and profit and loss account for the year ended 31.3.1994.

	Cloth dept(Rs)	Readymade dept(Rs)
Opening stock on 1.4.93	3,00,000	50,000
Purchases	20,00,000	15,000
Sales	22,00,000	4,50,000
Transfer to readymade garments dept	3,00,000	----
Expenses - manufacturing	--	60,000
- selling	20,000	6,000
Stock 31.3.1994	2,00,000	60,000

The stock in the readymade garments department may be considered as constituting 75% of cloth and 25% other expenses. The cloth department earned gross profit @ 15% in 1992-1993. General expenses of the business as a whole came to Rs. 1,10,000.

22. C, D and E were partners sharing profits in the proportions of $\frac{1}{2}$: $\frac{1}{3}$: $\frac{1}{6}$ respectively.

The balance sheet of the firm on 31.12.2004 was as under :

Liabilities	Rs.	Assets	Rs.
Sundry creditors	19,000	Cash at bank	2,500
Bills payable	5,000	Debtors 16,000	
Reserve fund	12,000	Less : Provision 500	15,500
Capital accounts :		Stock	25,000
C	40,000	Motor vans	8,000
D	30,000	Plant & Machinery	35,000
E	25,000	Factory buildings	45,000
	1,31,000		1,31,000

D retires on that date subject to the following conditions:

(a) The goodwill of the firm to be valued at Rs. 18,000.

(b) Plant to be depreciated by 10% and the motor vans by 15%.

(c) Stock to be depreciated by 20% and buildings by 10%.

(d) Provision for doubtful debts to be increased by Rs. 1,950.

(e) Liability for workmen's compensation to the extent of Rs. 1,650 is to be brought into account. It was agreed that C and E will share profits in future in the ratio of 3:2. Prepare Revaluation A/c, Capital A/c and the Balance Sheet.

23. A and B and C were partners sharing profits and losses in the ratio of 3:2:1 on 1.7.91. Their balance sheet was as under :

Liabilities	Rs.	Assets	Rs.
Sundry creditors	12000	Stock	11000
General reserve	3000	Machinery	25000
Capital :		Debtors	9500
A :20,000		Goodwill	13000
B :15,000		Cash	1500
C :10,000	45000		
	60000		60000

The firm was dissolved on the above date. The assets except cash realised only Rs.60000. Expenses came to Rs.800.The creditors were settled at Rs. 11,500. Close the books of the firm by showing the relevant ledger accounts.