B.Com DEGREE EXAMINATION,NOVEMBER 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. Write about branch accounts.
2. Write a note on inter – department transfer.
3. What is Hire purchase Trading account?
4. State how the following expenses are allocated among the different departments:

   (i) Rent and taxes.
   (ii) Labour welfare expenses.
5. What is goods in transit?
6. On 1.1.02, Ms. XYZ & Co. took delivery from ABC Co. Ltd, of a machine on Hire purchase system. Rs. 1500 being paid on delivery and the balance in 5 equal instalments of Rs. 3000 each, payable annually on 31st Dec. The cash price of the machine was Rs. 15,000. Calculate the amount of interest for each year.
7. What is gaining Ratio?
8. Raja and Raju are partners sharing profit in the ratio of 3:2. They admit Ramu as partner for 1/6th share in future profit. Calculate new ratio.
9. Calculate closing branch debtors balance from the following particulars.

Branch Debtors(1.1.2018)	Rs.6,300
Credit Sales	Rs.39,000
Cash collected form debtors	Rs.40,200
10. Anbu and Babu are partners in a firm with capital of Rs.36,000 and Rs.32,000 respectively. They decide to admit chandru into the firm with 1/5th share a capital of Rs.30,000. Calculate value of Hidden Goodwill.
11. Calculate revaluation profit from the followings

(i)	Increase the value of buildings by	Rs.1,00,000
(ii)	Decrease the value of Debtors by	Rs.40,000
12. Kalaivani, Kalpana and Kavitha Share profit as 4:3:2 Kalaivani retires. Assuming Kalpana and 5:3. Determine the Gaining Ratio.

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

Answer any **FIVE** questions

13. Explain the accounting treatment of goodwill on admission of partner.
14. Differentiate hire purchase system and instalment purchase system.
15. Explain the accounting treatment of goodwill on admission of a partner.
16. On 1.1.2018 Chandran bought a Machine form Moon Ltd. under Instalment System. The cash price of the machine was Rs.17,430 and the payment is to be made as follows.

    Rs.5,000 on signing the agreement and the balance in 3 instalment of Rs.5,000 each at the end of year. The rate of interest is 10% p.a.
17. A and B are partners sharing profits in the ratio of 5:3. On admission of new partner C. They decide to revalue the assets and liability of the firm.
    (a) Increase the value of building by Rs.22,000.
    (b) Unrecorded investments of Rs.4,000 to brought into account
    (c) Decrease the stock by Rs.2,000 and furniture by Rs.1,000
    (d) Write of sundry creditors by Rs.1,000

    Prepare the Revaluation Account.
18. There are 5 departments in concern. The total expenses amounted to Rs.12,000. One – sixth of expenses are to be divided equally to all the 5 departments. The remaining expenses are to be shared in the ratio of sales, sales of various departments were as follows: Dept A – Rs.50,000; Dept of B- Rs.40,000; Dept of C-Rs.30,000; Dept of D- Rs.20,000; and Dept E – Rs.60,000. Show the allocation of Indirect Expenses.
19. X,Y and Z were partners. Their Balance sheet stood as under on the date when the firm was dissolved.

	Rs		Rs
sundry creditors	60,000	sundry asstes	55,500
X's Capital a/c	22,000	P&L a/c	12,000
Z's Capital a/c	10,000	Y's Capital a/c	25,000
	92,000		92,000

The assets realised Rs. 41,000. The expenses of realisation amounted to Rs. 1,000. The position of the partners was as follows:

	Private asset(Rs.)	Private liabilities(Rs.)
X	18,000	20,000
Y	12,000	21,000
Z	12,000	10,000

Prepare the necessary ledger accounts to close the books of the firm.

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

Answer any **TWO** questions

20. The following information relates to Madurai Branch

	Rs.	Rs.
Stock on 1.1.2017		11,200
Branch Debtors on 1.1.2017		6,300
Goods sent to Branch		51,000
Cash Sent to Branch for		
Rent	1,500	
Salaries	3,000	
Petty Cash	500	
Sales at branch		
Cash	25,000	
Credit	39,000	64,000
Cash Received from Debtors		41,200
Stock on 31.12.2017		13,600

21. A firm had two departments, Cloth and readymade garments. The garments were Made by the firm itself out of cloth supplied by the cloth department at its usual selling price. From the following figures. Prepare departmental trading and profit and loss account for the year ended 31.03.2018.

	Cloth Dept(Rs.)	Readymade Dept(Rs.)
Opening Stock on 1.4.2017	3,00,000	50,000
Purchase	20,00,000	15,000
Sales	22,00,000	4,50,000
Transfer to Readymade Dept	3,00,000	-
Expenses – Manufacturing	-	60,000
-Selling	20,000	6,000
Stock 31.3.2018	2,00,000	60,000

The stock in the readymade garments department may be considered as consisting of 75% cloth and 25% other expenses. The cloth department earned gross profit @15% in 2017-2018. General Expenses of the business as a whole came to Rs.1,10,000.

22. A and B are partners sharing profits in the ratio 3:1. Their Balance sheet stood as Under on 31.3.2014.

Liabilities	Rs	Assets		Rs
Salary Due	5,000			
Creditors	40,000			
Capital		Stock		10,000
A: 30,000		Prepaid insurance		1,000
B: 20,000	50,000	Debtors	8000	
		Less: Provision	500	7,500
		Cash		18,500
		Machinery		22,000
		Buildings		30,000
		Furniture		6000
	95,000			95,000

C is admitted as new partner introducing a capital of Rs.20,000 for his 1/4th share in future profits

Following Revaluations are made:

(i) Stock to be depreciated by 5%.
(ii) Furniture to be depreciated by 10%
(iii) Building to be revaluated at Rs.45,000
(iv) The provision for doubtful debts should be increased to Rs.1,000

pass journal entries, prepare Revaluation A/c and Balance sheet after admission.

23. A, B and C are partners in a firm sharing profits and losses in the ratio $\frac{1}{3}$: $\frac{1}{2}$: $\frac{1}{6}$ respectively. Their Balance sheets as on 31.03.2018 was as follows.

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

C retires on 31.03.2018 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 building 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.