

B.Com. DEGREE EXAMINATION, APRIL 2020
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 a note on stock & Debtors system.
2. The Head office sent goods to branch at cost plus 20%. The value of goods sent to branch were Rs.2,11,872. Calculate the stock reserve.
3. Write about Departmental accounts.
4. If the rate of Gross profit for Dept. A is at 20% on cost & sales is Rs.5,00,000, Find out the Gross profit.
5. How the following expenses are apportioned under Departmental accounts:
a.) Insurance of employees. b.) Factory managers salary c.) Bad debts d.) Depreciation
6. What is Hire purchase system?
7. On 1.1.2000, Ram purchased a machine on hire purchase under a hire purchase system which provided for an initial payment of Rs.20,000 & the balance in 3 annual instalments of Rs.20,000 each. The cash price of the machine is Rs.60,000. Calculate the amount of Instalment included in each instalment.
8. Define partnership.
9. A & B are partners sharing profits & losses in the ratio of 5:2, C is admitted for $\frac{2}{5}$ th share of profit. Calculate new profit sharing ratio.
10. Explain Garner Vs Murray rule.
11. A & V were partners of a firm sharing profits & losses in the ratio of 5:3. On 1.4.2008, the firms books showed a reserve fund of Rs.48,000. On the above date, they decided to admit Raja into the partnership. Pass journal entry.
12. Distinguish between revaluation account & realisation account.

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

Answer any **FIVE** questions

13. Briefly explain the salient features of dependent branches.

14. A head office sends goods to its branch @ 20% less than the list price. Goods are sold to customers at cost plus 100%. From the following particulars ascertain the profit made at the head office and the branch on wholesale basis.

Particulars	Head office	Branch
Purchases	2,00,000	
Goods sent to branch (invoice price)	80,000	
Sales	1,70,000	80,000

15. Explain the advantages of departmental accounting.
16. From the following particulars, prepare departmental trading account for the year ended 31.12.12.

Particulars	Dept. A	Dept. B
Opening stock	10,000	---
Purchases	2,30,000	20,000
Goods from Dept.A	---	70,000
Wages	10,000	16,000
Closing stock	50,000	18,000
Sales	2,30,000	1,45,000

17. P purchased a motor cycle on hire purchase system. The cash price of the vehicle was Rs.56,000. Rs.15,000 down payment & 3 instalments of Rs.15,000 each. Rate of interest charged at 5%.p.a .Calculate the interest included in each instalment.
18. R,S & M are partners sharing profits in the ratio of 3:2:1. S wants to retire from the firm. this purpose, goodwill is valued at 2 years purchase of average super profits of last three years. The profits of the last three years are Rs.35,000, Rs.37,500 & Rs.40,000 respectively. The normal profit for similar firm is Rs.28,500. Pass journal entry for Goodwill.
19. Following is the Balance sheet of A, B,& C who share profit & losses in the ratio of 2:2:1.

Liabilities	Rs.	Assets	Rs.
Creditors	15,000	Cash	2,000
Capital:		Debtors	12,000
A	15,000	Stock	22,000
B	12,000	Furniture	10,000
C	4,000		
	46,000		46,000

The firm was dissolved and assets were realised gradually, Rs.10,000 were received in first instalment, Rs.15,000 in 2nd instalment & Rs. 9,000 in 3rd instalment. Prepare statement showing piecemeal distribution of cash under maximum loss method.

Section C ($2 \times 15 = 30$) MarksAnswer any **TWO** questions

20. A head office at Bhopal invoices goods to its branch at cost, & the branch sells the goods not only for cash but on credit also. The expenses of the branch are paid by the head office. From the following particulars relating to the branch opened on 1.1.96, prepare the necessary accounts under stock & Debtors system in the head office books.

Particulars	Rs.	Particulars	Rs.
Goods sent to branch at cost	5,000	Credit sales	5,200
Goods returned by the branch at cost	300	Discount allowed to customers	180
Expenses paid by the head office	1,000	Cash sales	250
Remittance from branch	4,200	Branch stock (31.12.96)	1,700
Receipts from debtors not paid in by the branch	300	Branch debtors (31.12.96)	770

21. Mehta Ram of Ram Nagar purchased goods for his 3 departments as follows: Dept. X -200 units, Dept.Y-1,400 units, Dept. Z- 400 units at a total cost of Rs.5,100
Sales of 3 departments were as follows.
Dept. X -180 units @Rs.15 per unit
Dept.Y-1,500 units @ Rs.18 per unit
Dept.Z-450 units @ Rs. 6 per unit
Stock in the beginning was as follows:Dept.X-100 units, Dept.Y-400 units, Dept. Z -60 units. The rate of gross profit is the same in all departments. You are required to Prepare Departmental trading account.
22. L & R are equal partners. Their Balance sheet on 31.12.2011 was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	20,000	Cash	10,000
Capital A/c:		Debtors	20,000
L	50,000	Stock at cost	15,000
R	30,000	Investments (cost Rs.15,000)	12,000
		Fixed assets	43,000
	1,00,000		1,00,000

On the above date, N was admitted on the following conditions:

- The new profit sharing ratio will be 5:3:2
- Create 10% provision for discount on creditors.
- Write off Rs.2,000 as bad debts & create 5% provision for doubtful debts.
- Stocks are valued at Rs.20,000

- e. Depreciate fixed assets by 15%
- f. Record investments at cost.
- g. N to bring Rs.20,000 as his capital.

Prepare revaluation account, capital accounts of partners & new Balance sheet.

23. D,E,F & G are partners sharing profits in the ratio of 4:3:2:1. Their position statement was as follows:

Liabilities	Rs.	Assets	Rs.
Capital A/c:		Cash	4,500
D	90,000	Machinery	1,32,000
E	60,000	Stock	60,000
Creditors	1,20,000	Debtors	1,20,000
Bank loan	60,000	Capital A/c:	
		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 & Bank loan were paid Rs.1,77,000 in full satisfaction. The expenses of dissolution are Rs.1,800. G became insolvent & F paid only Rs.9,000. Prepare ledger accounts to close the books of the firm.