

B.Com(CS) DEGREE EXAMINATION, APRIL 2020
I Year II Semester
Financial Accounting - II

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. What is meant by Goods-in-transit?
2. What is an inter-departmental transfer?
3. Define partial repossession.
4. How do you treat when new partner brings his share of goodwill in cash?
5. Compute closing branch debtors balance from the following details:
 Credit sales 51,000
 Cash received from debtors by the branch 42,500
 Branch debtors (opening) 1,000
 Discount allowed to customers by branch 1,800
6. Journalise the following under Stock and Debtor System:
 a) Goods sent to branch Rs. 80,000
 b) Cash sales Rs. 65,000
7. Apportion the following expenses on the basis of cost of goods sold ratio among the four department A,B,C and D.
 Sales: A- Rs. 2,00,000; B - Rs. 1,50,000;
 C - Rs. 1,00,000; D - Rs. 50,000
 Gross profit – 20% on sales
 Expenses : Salaries Rs. 6,000 & Rent - Rs. 1500.
8. Calculate the number of units sold in the following departments

	Dept. I(in units)	Dept. II(in units)
Opening stock	120	80
Purchases	1000	2000
Closing stock	100	160
9. Ramesh purchases a motor car from kumar whose cash price is Rs. 56,000 on 1.1.2013, 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 cash. The rate of interest is 5% p.a. Calculate the amount of interest included in each instalment.
10. Swetha and Nisha were sharing profits in the ratio of 4:3. Kamala was admitted with $\frac{1}{5}$ th share in profits of business. Calculate the new profit ratio.

11. X,Y and Z were partners sharing profits in the ratio of 4:3:2. X retires. Assuming Y and Z will share profits in future in the ratio of 5:3. Calculate the gaining ratio.
12. Journalise the following in case of dissolution of firm:
 - a) Realisation expenses Rs.2,000
 - b) Stock worth Rs.6,000 taken by partner B.

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

Answer any **FIVE** questions

13. Explain the term 'Stock and Debtor System'.
14. Distinguish between Branch accounts and Departmental accounts.
15. From the following particulars relating to Madurai Branch. Prepare Branch Account in the books of head office for the year ended 31.12.2018

	Rs.
Stock 1-1 -2018	30,000
Debtors 1-1-2018	12,000
Petty cash 1-1-2018	200
Goods sent to branch	50,000
Goods returned to H.O.	600
Sales at Branch - Cash	30,000
Credit	42,000
Sales return at branch	300
Bad debts written off	300
Branch expenses paid by H.O	3,000
Petty cash sent to branch	500
Petty cash 31-12-2018	300
Stock 31.12.2018	12,500

16. Prepare departmental trading account.

	Dept. I(Rs.)	Dept. II(Rs.)
Opening stock	50,000	40,000
Purchases	6,50,000	9,10,000
Sales	10,00,000	15,00,000
Closing Stock	1,00,000	2,00,000

17. The Madras Trading Co. purchased a motor car from Bombay Motor Co. on hire purchase agreement on 1.1.2010, paying cash Rs.10,000 and agreeing to pay further three instalments of Rs.10,000 each on 31st December each year. The cash price of the car is Rs.37,250 and the Bombay Motor Co. charges interest at 5% p.a. Depreciation at 10% on written down value method. Journalize the above in the books of Madras Trading Co.

18. 'M' and 'N' are partners sharing Profits and Losses in the ratio of 5:3. On admission of a new partner 'O', they decide to revalue the assets and liabilities of the firm as under:

- Increase the value of the building by Rs.22,000
- Unrecorded investments of Rs. 4,000 to be brought into account.
- Decrease the value of stock by Rs. 2,000 and Furniture by Rs. 1,000.
- Write off Sundry creditors by Rs. 1,000.

Prepare Revaluation Accounts

19. A, B C and D were partners sharing profits in the ratio of 3:2:3:2. Their balance Sheet on the date of dissolution was as follows:

Liabilities	Rs.	Assets	Rs.
A's CapitalRs.	20,000	Assets	34,000
B's Capital	10,000	C's Capital	12,720
Reserve fund	8,000	D's capital	3,280
Creditors	12,000		
	50,000		50,000

On the above date 'C' becomes insolvent and was able to contribute only 50 paise in the rupee. Assets realized Rs. 25,000. Realization expenses amounted to Rs. 800. Prepare Ledger Accounts.

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, Prepare Branch Stock A/c, Branch Debtors A/c, Branch Expenses A/c, Branch Adjustment A/c and Branch P&L A/c.

	Rs.
Stock on 1.1.2018 (invoice price)	15,000
Debtors on 1.1.2018	11,400
Goods invoiced to branch (invoice price)	67,000
Cash sales	31,000
Credit sales	37,400
Bad debts written off	250
Discount allowed to customers	300
Expenses at the branch	6,700
Stock on 31.12.2018	13,400
Cash received from debtors	40,000

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

departments.

Dept. A – 1,000 units

Dept. B – 2,000 units

Dept. C – 2,400 units

(at a total cost of Rs. 1,00,000)

Stocks on 1 st January were:

Dept. A – 120 units

Dept. B – 80 units

Dept. C – 152 units

Sales were:

Dept. A – 1,020 units at Rs. 20 each

Dept. B – 1,920 units at Rs. 22.50 each

Dept. C – 2,496 units at Rs. 25 each

The rate of gross profit is same in each case. Prepare Departmental trading account.

22. A and B share profits in the ratio of 3:1. Their Balance Sheet as on 31st December, 2018 as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	37,500	Cash at Bank	22,500
General Reserve	4,000	Bills receivable	3,000
A's Capital	30,000	Stock	20,000
B's Capital	16,000	Debtors	16,000
Furniture	1,000		
Building	25,000		
	87,500		87,500

On 1-1-2019 they admit C as a new partner on the following arrangements:

(a) 'C' to bring Rs.10,000 as capital for 1/5 share of profit.

(b) The new firm to have good will Rs.10,000.

(c) Stock and Furniture to be reduced by 10%, a reserve of 5% on debtors for doubtful debts to be created.

(d) Buildings to be appreciated at 20%

Give the necessary ledger accounts and balance sheet.

23. Knight purchased a truck for Rs.1,60,000 from S. Waugh on 1.1.2013 payment to be made Rs.40,000 down and Rs.46,000 at the end of first year, Rs. 44,000 at the end of second year and Rs. 42,000 at the end of third year. Interest was charged at 5%. Knight depreciates the truck at 10% per annum on written down value method.

Knight after having paid down payment and first instalment at the end of the first year, could not pay second instalment. The seller took possession of the truck, and after spending Rs.4,000 on repairs of the asset, sold it away for Rs.91,500. Give journal entries in the books of both the parties.