

**B.Com DEGREE EXAMINATION, EVEN SEMESTER 2021****I Year II Semester****Financial Accounting – II**

Max Marks: 25

Answer any **Five** questions (5 \* 5 = 25) Marks

1. What are the methods of accounting system followed by a dependent branch?
2. Distinguish between Hire Purchase and Instalment System.
3. The following information relates to Madurai Branch. Prepare Branch Account for the year 2017.

	Rs.	Rs.
Stock on 1-1-17		11,200
Branch debtors on 1-1-17		6,300
Goods sent to Branch		51,000
Cash sent to Branch for:		
Rent	1,500	
Salaries	3,000	
Petty cash	<u>500</u>	5000
Sales at Branch:		
Cash	25,000	
Credit	<u>39,000</u>	64,000
Cash received from Debtors		41,200
Stock on 31-12-17		13,600

4. Mohan Ram of Ram Nagar purchased goods for his three departments as follows:

Dept. X	-	200 units
Dept. Y	-	1,400 units
Dept. Z	-	400 units

Purchases were made at a total cost of ₹ 5,100.

Sales of the three departments were as follows:

Dept. X	-	180 units @ ₹ 15 per unit
Dept. Y	-	1,500 units @ ₹ 18 per unit
Dept. Z	-	450 units @ ₹ 6 per unit

Other information about stock in the beginning were as follows:

Dept. X	-	100 units
Dept. Y	-	400 units
Dept. Z	-	60 units

Mohan Ram informs you that the rate of gross profit is same in all the departments. You are required to prepare Departmental Trading A/c.

5. Mr. Raman purchased a motor car from Ragavan on hire purchase system at a cash price of ₹ 56,000. On 1.1.2006 ₹ 15,000 is paid on signing the contract and the balance is to be paid in three equal annual installment of ₹ 15,000 each. The rate of interest is 5% p.a. Calculate the amount of interest included in each instalment. Give journal entries in the books of both the parties. Depreciation is @ 10% on straight line method.
6. Arun and Babu are partners, sharing profits and losses equally. Their balance sheet as on 31<sup>st</sup> March 2020 are as follows:

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Creditors	30,000	Buildings	50,000
General Reserve	20,000	Furniture	20,000
Capital:		Stock	10,000
Arun	40,000	Debtors	25,000
Babu	40,000	Cash	25,000
	<b>1,30,000</b>		<b>1,30,000</b>

On 1<sup>st</sup> April 2020, Charu was admitted as a partner for 1/5<sup>th</sup> share of future profits on the following terms.

- a) Buildings revalued at ₹ 70,000
- b) Furniture and Stock were reduced by 10%.
- c) Provision for bad debts is made at 5 %
- d) Charu was to bring in ₹ 30,000 as capital and ₹ 8,000 as goodwill in cash.

Give journal entries to give effect of above adjustments, prepare revaluation account, capital accounts and the balance sheet of the reconstituted firm.

7. A, B and C are partners sharing profits and losses as to 3:2:1. Balance sheet as on 31<sup>st</sup> December, 2018 is as follows:

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Creditors	12,000	Machinery	25,000
General Reserve	3,000	Stock	11,000
Capitals     A	20,000	Debtors	9,500
B	15,000	Goodwill	13,000
C	10,000	Cash	1,500
	<b>60,000</b>		<b>60,000</b>

On the above date, the firm was dissolved. The assets, except cash, realized ₹ 60,000. The creditors were settled at ₹ 11,500. Dissolution expenses amounted to ₹ 800. Give necessary ledger Accounts.