

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.
B.Com.(Hons) - END SEMESTER EXAMINATIONS APRIL - 2022
SEMESTER - II
20UBHCT2005 - Financial Accounting - II

Total Duration : 3 Hrs.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Mr. X Purchased a typewriter on Hire Purchase system by paying a Rs.800 as down payment and Rs.400 at the end of first year, Rs.300 at the end of Second year and Rs.700 at the end of Third year respectively. Interest is charged at the reate of 5% pa. calculate cash price and the amount of interest payable on each installment.
2. On 1-1-1993, a firm purchase a truck on installment purchase system. The cash price is Rs.11,175 and payable as follows. Rs.3,000 at the time of entering in to agreement and three installments of Rs.3,000 each at the end of each year. The rate of interest is 5%pa and the depreciation is written off @10% on the diminishing value method. Pass journal entries for the same.
3. Prepare a branch account from the following and find out the profit or loss at the branch. Opening stock-Rs.15,000; Goods sent to branch-Rs.45,000; Sales-Rs.60,000; Salaries-Rs.5,000 and other expenses-Rs.2,000. Closing stock could not be ascertained. But, it is known that, the branch sells at cost plus 20%. The branch manager is entitled to a commission of 5% on the profit of the branch before charging such commission.
4. From the following particulars prepare the department trading account and profit or loss account for the year ending 31-12-2020.

Particulars	Dept-X	Dept-Y
Opening stock	9,000	8,400
Sales	42,000	36,000
Purchases	27,000	21,600
Direct expenses	5,490	8,520
Postage	360	360
Closing stock	10,800	4,800
Indirect expenses are to be shared on sales ratio-Rs.3,900		

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5. K, M and T are partners sharing profits equally and their balance sheet as on 31-3-2021 as follows

Liabilities	Amt. (Rs.)	Assets	Amt. (Rs.)
Creditors	47,000	Cash	36,000
Reserve	30,000	Debtors	84,000
Capitals		Less: Provision for bad debts	6000
K	82,000	Stock	19,000
M	82,000	Fixture	42,000
T	90,000	Furniture	56,000
		machinery	1,00,000
	3,31,000		3,31,000

Mr.T died on 5-4-2021 and the following agreement was put into effect:

- Goodwill was valued at Rs.60,000
 - Assets were revalue at: Machinery -Rs.1,17,000; Furniture-Rs.46,000 and stock-Rs.15,000.
 - Rs.21,000 will be paid to Mr.T's Executors and the balance is transferred to Loan Account.
 - Prepare revaluation account and the Revised balance sheet.
6. X and Y are partners sharing profits equally and on 1-1-2020 their capitals are Rs.20,000 and Rs.10,000 respectively. Interest on capitals is allowed @5% from profits prior to division thereof. The profit for the year is Rs.9,500. Pass journal entries and prepare the Profit and loss appropriation account.
7. A and B are partners sharing profits in the ratio of 3:2. They admit Mr.C into partnership. Mr.C is paying a premium of Rs.2,000 for 1/4th of share of profit. The new profit sharing ratio is 3:3:2. Goodwill account appears in the books is Rs.2,000. calculate sacrificing ratio and journalise the above transactions.
8. Mr.Sundar sells goods on HP system at cost plus 60%.Prepare the HP trading account from the following information.
- Jan-1 : goods out on HP system at HP price is Rs.32,000
- Dec 31 : Installments not due and unpaid- Rs.72,000
- Installments due and unpaid-Rs.4,000
- During the year Goods sold on HP price- Rs.1,60,000
- Cash received from customers on HP price-Rs.1,12,000
- Goods received back on default values at Rs.800 and the installment due is Rs.4,000.

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Section B

Part A

Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. A head office invoiced goods to its branch at cost plus 50%. Branch remits all cash received to head office and all expenses are met by head office. Prepare necessary accounts from the following.

Opening stock at invoice price	27,900	Goods returned by debtors	3,600
Opening debtors	20,400	Goods returned to HO by branch	4,500
Goods Sent To Branch At Invoice Price	1,53,000	Shortage of stock	1350
Cash sales	75,000	Discount allowed	600
Credit sales	93,000	Expenses at branch	16,200
Cash received from debtors	91,200	Bad debts	600

10. A and B are partners sharing profits and losses in the ratio of 3:1 and their balance sheet as on 31-3-2004 are as follows.

Liabilities	Amt. (Rs.)	Assets	Amt. (Rs.)
Salary due	5,000	Stock	10,000
Creditors	40,000	Prepaid insurance	1,000
Capital-A	30,000	Debtors - 8,000 Less:provision- 500	7,500
B	20,000	Cash	18,500
		Machinery	22,000
		Buildings	30,000
		Furniture	6,000
	95,000		95,000

Mr.C is admitted as new partner by introducing a capital of Rs.20,000 for his $\frac{1}{4}$ th of share in future profits. Revaluation of assets is as follows. Stock be depreciated by 5%; furniture be depreciated by 10%; building be revalue at Rs.45,000. provision for bad debts should be increased to Rs.1,000. prepare the revaluation account and revised balance sheet after admission.

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11. A and B are in equal partnership. Their balance sheet stood as follows.

Liabilities	Amt. (Rs.)	Assets	Amt. (Rs.)
A's capital	600	Stock	625
Creditors	3,900	debtors	500
		Cash	300
		Plant and Machinery	1475
		B's capital	1,200
		Furniture	400
	4,500		4,500

Assets are realised as follows. Stock-Rs.350; furniture-Rs.200; Debtors-Rs.500; plant and machinery-Rs.700; The dissolution charges - Rs.150; Mr.A's private assets are not sufficient to pay his private liabilities and in case of Mr.B, there is a surplus of Rs.50. Prepare the ledger accounts required to dissolve the firm.

12. 1,000 toys consigned by Roy & Co. of Calcutta to T. Nu of Rangoon at an invoice cost of Rs 150 each. Roy & Co. paid freight Rs.10,000 and insurance Rs.1,500. During the voyage 100 toys were totally damaged by fire and had to be thrown overboard. T. Nu took delivery of the remaining toys and paid Rs 14,400 as customs duty.

T.Nu sent a bank draft to Roy & Co. for Rs.50,000 as advance payment and later sent an account sales showing that 800 toys had been sold at Rs.220 each. Expenses incurred by T.Nu on godown rent and advertisement, etc., amounted to Rs.2,000 T. Nu was entitled to commission of 5 per cent. One of the credit customers could not pay for 5 toys. Prepare the Consignment Account, T. Nu's account and Profit and Loss Account in the books of Roy & Co., assuming that nothing has been recovered from the insurers due to a defect in the policy.

T. Nu settled his account immediately.

Part B

Compulsory question (1 × 10 = 10 Marks)

13. Mr.Shankar sold out goods on hire purchase system at a profit of 25% including hire purchase charges on cash price. Prepare the necessary accounts under stock and debtors system from the following for the year 1997.

Particulars	Amt. (Rs.)
Opening stock	1,50,000
Closing stock	1,25,000
Goods with customers on hire purchase on 1-1-1997	1,80,000
Purchases	2,50,000
Goods sent out in 1997	4,35,000
Installments received	3,00,000
Overdue installments-opening	10,000
Closing	15,000