

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.(CS) END SEMESTER EXAMINATIONS APRIL-2023
SEMESTER - II

21UBCCT2003 - Financial Accounting-II

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section B

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

1. Differentiate between hire purchase system and installment purchase system.
2. Explain Branch Accounting and its salient features.
3. Royal Shoe Company opened a branch at Chennai on 1.1.2018. From the following particulars, compute the Branch account for the year 2018.

PARTICULARS	2018 (Rs.)
Goods sent to Madras Branch	15,000
Cash sent to Branch for	
Rent	1,800
Salaries	3,000
Other expenses	1,200
Cash received from the branch	24,000
Stock on 31 st December	2,300
Petty cash in hand on 31 st December	40

4. Mixed goods were purchased for Rs.1,00,000 and later they were assorted into three categories X,Y,Z as follows. X 1,000 – Selling price Rs.20 each.
Y 2,000 – Selling price Rs.22.50 each, Z 2,400 – Selling Price Rs.25 each
All categories yield the same rate of Profit. Calculate the purchase price of each category.
5. M Purchases a car on hire purchase system on April 1, 2015, the total cash price of the car is Rs.3,30,000; payable Rs.1,00,000 on signing of the agreement and three equal instalments of Rs.1,00,000 payable on 31st March for 3 years. Interest is charged at 15% per annum. You are required to calculate the interest paid by the buyer to seller each year.
6. P, Q, R and S are partners in a firm sharing profits in the ratio of 2:1:2:1. On the retirement of R, the firm's goodwill was valued at Rs.45,000. P, Q and S decided to share the future profits equally. Compute the journal entry for goodwill.

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7. P, Q and R share profits in the proportion of $\frac{1}{2}$, $\frac{1}{4}$ and $\frac{1}{4}$. On the date of dissolution their Balance Sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	14,000	Sundry Assets	40,000
P's Capital	10,000		
Q's Capital	10,000		
R's Capital	6,000		
	40,000		40,000

The assets realised Rs.35,500. Creditors were paid in full. Realization expenses amounted to Rs.1,500. Prepare the closing the books of the firm.

8. A and B are partners in a business sharing profits in the ratio of 5:3 .They decide to admit C in to the firm giving him $\frac{1}{6}^{th}$ share. Solve the new profit sharing ratio and sacrificing ratio of the partners.

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. Manian Ltd., of Calcutta has a branch at Patna, Goods are invoiced to the Patna branch, the selling price being cost plus 25%.The Patna branch keeps its own sales ledger and transmits all cash received to Calcutta. All expenses are paid from Calcutta. From the following details prepare the Patna branch A/c for the year 1989.

	Rs.
Stock (1.1.89) (invoice price)	1,250
Stock (31.12.89) (invoice price)	1,500
Debtors (1.1.89)	700
Debtors (31.12.89)	900
Cash sales for the year	5,400
Credit sales for the year	3,500
Goods invoiced from Calcutta	9,100
Rent	400
Wages	340
Sundry expenses	80

10. The Proprietor of a large retail store wished to ascertain approximately the net profit of the X, Y, and Z departments separately for the three months ended but an adequate system of departmental accounting is in use, and the normal rates of gross profit for the three departments concerned are respectively 40%, 30% and 20% on turnover before charging the direct expenses. The indirect expenses are charged in proportion to departmental turnover.

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The following are the figures for the departments:

	X	Y	Z
	Rs.	Rs.	Rs.
Opening stock (1-1-96)	10,000	14,000	7,000
Purchases	12,000	13,500	9,700
Sales	20,000	18,000	16,000
Direct expenses	2,000	1,500	700

The total indirect expenses for the period [including those relating to other departments] were Rs.5,400 on the total turnover of Rs.1,08,000.

Ascertain the statement showing approximate net profit, making a stock reserve of 10% for each department on the estimated value on 31-3-96.

11. Knight Purchased a truck for Rs.1,60,000 from S.Waugh on 1.1.2012 payment to be made Rs.40,000 down and Rs.4,60,000 at the end of first year, Rs.44,000 at the end of third year. Interest was charged at 5%. Knight depreciate 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. Prepare the journal entries in the books of knight.

12. Sunil, Devan and Ravi are equal partners in a firm and their Balance Sheet as on 31.12.90 is given below

Liabilities	Rs.	Assets	Rs.
Capital		Machinery	43,500
Sunil	15,000		
Devan	12,000		
Ravi	18,000		
Reserve	4,500	Furniture	1,500
Creditors	40,500	Debtors	30,000
		Stock	15,000
	90,000		90,000

Ravi retired on 31.12.90 and assets were revalued as under:

Machinery Rs.51,000, Furniture Rs.1,200, Debtors Rs.28,500, Stock Rs.14,700, Goodwill of the firm is valued at Rs.9,000 and Ravi's share of goodwill is to be adjusted to continuing partners capital accounts.

Prepare Revaluation Account, Partner's Capital Account and Revised Balance Sheet.

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13. Supriya and Monika are partners, who share profit in the ratio of 3:2. Following is the balance sheet as on March 31, 2014. Balance Sheet of Supriya and Monika as on March 31, 2014

Liabilities	Amount	Assets	Amount
Supriya's Capital	32,500	Cash and Bank	40,500
Monika's Capital	11,500	Stock	7,500
Sundry Creditors	48,000	Debtors 21,500	
		Less:doubtful 500	21,000
Reserve fund	13,500	Fixed Assets	36,500
	1,05,500		1,05,500

The firm was as dissolved on March 31, 2014. Evaluate the books of the firm with the following information:

- (i) Debtors realised at a discount of 5%
- (ii) Stock realised at Rs.7,000
- (iii) Fixed assets realised at Rs.42,000
- (iv) Realisation expenses of Rs.1,500
- (v) Creditors are paid in full.

Assess necessary ledger accounts.
