

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. - END SEMESTER EXAMINATIONS APRIL - 2024

SEMESTER - II

**20UCOCT2003 - Financial Accounting - II**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

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

1. The following information related to Madurai Branch;

	Rs.	Rs.
Stock on 1.1.2023		11,200
Branch debtors 1.1.2023		6,300
Goods sent to Branch		51,000
Cash sent to Branch for		
Rent	1,500	
Salaries	3,000	
Petty cash	500	5,000
Sales at Branch		
Cash	25,000	
Credit	39,000	64,000
Cash received from debtors		41,200
Stock on 31.12.2023		13,600

Show Branch account for the year 2023.

2. From the following details, prepare departmental trading account;

	Department A	Department B
Opening stock	9,000	8,400
Total purchases	27,000	21,600
Total sales	42,000	36,000
Closing stock	10,800	4,800
Credit purchases	17,000	10,600
Credit sales	5,000	6,000

3. Predict the main features of partnership.

**Contd...**

4. Prepare revaluation account on the following transactions in case of retirement of a partner.
- Sale of scraps worth Rs.6,000.
  - Sale of unrecorded equipments for Rs.14,000.
  - Payment of unrecorded liability amount to Rs.22,000.
  - Unclaimed liability amounts to Rs.7,000.
  - Book value of debtors is Rs.40,800. Out of this amount, Rs.800 proves to be bad. Provision for bad debts is to be created at 5% and provision for discounts is to be maintained @2%.
5. Show what entries would be passed by head office to record the following transactions in the books on 31<sup>st</sup> December, the date of Annual closing?
- Goods amounting ₹1,500 transferred from Chennai branch to Trichy branch under instruction from head office.
  - Depreciation of ₹1,000 on Chennai branch fixed assets when such accounts are opened in the head office books.
  - A Remittance of ₹9,000 made by the Trichy branch on head office on 26<sup>th</sup> December and received by the head office on 4<sup>th</sup> January.
  - Goods amounting to ₹15,000 sent by head office to Trichy branch on 20<sup>th</sup> December and received by the latter on 15<sup>th</sup> January.
6. Classify the bases of apportionment of following expenses;
- Rent and rates
  - Lighting
  - Depreciation of asses
  - Welfare expenses
  - Selling expenses.
7. Predict the amount of goodwill in the following case: Three years purchase of the last four years average profit is agreed as the goodwill value. The profits and losses for the last four years are:
- | Year | Rs.             |
|------|-----------------|
| 2020 | 5,000           |
| 2021 | 8,000           |
| 2022 | 3,000<br>(loss) |
| 2023 | 6,000           |
8. A, B and C are in partnership sharing profits and losses in the ratio of 3:2:1. 'A' decides to retire from the business while 'B' and 'C' continue the business sharing profits and losses in their previous ratio. The goodwill of the firm is valued at Rs.24,000. Ascertain the entries for goodwill when the goodwill is raising and is written off.

**Contd...**

### Section C

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

9. Illustrate the salient features of dependent branches.
10. A head office sends goods to its branch at 20% less than the list price. Goods are sold to customers at cost plus 100%. From the following particulars predict the profit made at the head office and the branch on wholesale basis.

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

11. Mehta Ram of Ram Nagar purchased goods for his three departments as follows:

Department X – 200 units	Total Cost Rs.5,100
Department Y – 1,400 units	
Department Z - 400 units	

Sales of the three departments were as follows;

Department X – 180 units @Rs.15 per unit
Department Y – 1,500 units @ Rs.18 per unit
Department Z - 450 units @ Rs.6 per unit

Other information about stock in the beginning was as follows.

Department X – 100 units
Department Y – 400 units
Department Z - 60 units

Mehta Ram informs you that the rate of gross profit is the same in all departments. You are required to examine the Departmental Trading Account.

12. Following is the Balance sheet of Ramu and Raghu as 1.4.2023.

Liabilities	Rs.	Assets	Rs.
Ramu's Capital	50,000	Sundry Assets	80,000
Raghu's Capital	40,000	Bank	10,000
Creditors	20,000	Good will	20,000
	1,10,000		1,10,000

Ramu and Raghu share profits and losses equally. Rasu is admitted on 1.4.2023. He contributes Rs.50,000 as his capital but cannot bring any amount for goodwill which is valued at Rs.35,000. The new profit sharing ratio is 3:2:2. Prepare partners capital account and show Balance sheet after Rasu's admission.

**Contd...**

13. Sunil, Devan and Ravi are equal partners in a firm and their Balance sheet as on 31.12.2023 is given below:

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

Ravi retired on 31.12.2024 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 account. Ascertain the necessary ledger accounts and new balance sheet.

\*\*\*\*\*