

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. CA - END SEMESTER EXAMINATIONS APRIL - 2024  
SEMESTER - II

**23UCCCT2002 - Financial Accounting -II**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

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

- Mr.X purchased a machine on hire purchase system Rs.3,000 being paid on delivery and the balance in five instalments of Rs.6,000 each, Payable annually. The cash price of the machine was Rs.30,000. Calculate the amount of interest for each year.
- Karthik & Sarathy were partners in a firm sharing profit in the ratio of 3:2. They admitted Doss to 1/3 share. What would be their new profit ratio in each of the following cases:
  - If Doss acquired his share equally from the old partners.
  - If Doss acquired as 3/12 from Karthik and 1/12<sup>th</sup> from Sarathy.
- R, S and M Shares profits in the ratio 3:2:1 on 1<sup>st</sup> January 2002. Their Balance Sheet was:

Liabilities	Rs.	Asset	Rs.
Creditors	12,000	Machinery	25,000
General Reserve	3,000	Stock	11,000
Capital:		Debtors	9,500
R	20,000	Goodwill	13,000
S	15,000	Cash	1,500
M	10,000		
	60,000		60,000

On the above date firm was dissolved. The assets realised Rs.50,000. The creditors were settled at Rs.11,500. Dissolution expenses Rs.1,000. Give the necessary journal entries and ledger accounts.

- M,N and O were equal partners. On 31.12.2004 their position was as follows:

Particulars	Rs.	Particulars	Rs.
M's Capital	4,000	Cash	3,000
N's Capital	1,200	O's Capital	400
		Loss on Realisation	1,800
	5,200		5,200

O is insolvent and can pay nothing. Close the books of the firm.

**Contd...**

5. Distinguish between Branch Accounts and Departmental Accounts.
6. Goodwill is valued on the basis of 2 years purchase of average profit of the proceeding three years. The profits of previous three years were 2004 – Rs.44,000; 2005 - Rs.56,000; 2006 – Rs.68,000. Calculate Average profit and Value of Goodwill.
7. Briefly Explain different modes in which a partnership firm may be dissolved.
8. A partnership firm has three partners A, B,C with capitals as Rs.50,000; Rs.15,000 and Rs.45,000 respectively. The partners share profits and losses in 5:3:2 ratio. Calculate absolute surplus capital under proportionate capital method.

### Section C

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

9. Mr.Balu purchased a machinery from Kumar & Co. on hire purchase system on 1-1-2015. The cash price of the machine was Rs.1,00,000; Rs.20,000 to be paid at the time of taking delivery and balance by four Instalments of Rs.20,000 plus interest @ 5% on yearly balances.  
Balu failed to pay the Instalment due on 31-12-2016. Kumar & Co took possession of the machinery and valued the same in their books after charging depreciation @ 10 % p.a on written value method. In 2017 Kumar & Co. incurred Rs.1,000 for reconditioning and re-sold the machinery for Rs.90,000. Show the Ledger Accounts in the books of Mr.Balu and Kumar & Co.
10. The following purchases were made by a business house having three departments:
 

Department A - 1,000 units	}	Total Cost Rs.1,00,000
Department B - 2,000 units		
Department C - 2,400 units		

Stock on 1<sup>st</sup> January were:

Department A - 120 units

Department B - 80 units

Department C - 152 units

The sales were:

Department A - 1020 units at Rs.20 each

Department B - 1920 units at Rs.22.50 each

Department C - 2496 units at Rs.25 each

Assume rate of gross profit is same in each cash, and Prepare Departmental trading account.

**Contd...**

11. A and B are-partners in a firm sharing profits in the ratio of 3 : 1. The Balance Sheet of the firm on 31<sup>st</sup> December, 2022 was as follows.

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Creditors	1,800	Bank	100
Workmen Compensation Fund	1,200	Bills Receivable	2,500
Capital :		Debtors 4,000	
A	6,000	Less: Provision 500	3,500
B	4,900	Stock	3,000
General Reserve	2,100	Investments	5,000
		Goodwill	1,000
	16,000		16,000

On the above date C is admitted for  $\frac{2}{5}^{th}$  share in the profits of the firm, and the following revaluations were made.

- Accrued income not appearing in the books Rs.100
- Market value of investments is Rs.4,500
- Claim on account of workmen compensation is estimated at Rs.150.
- X, an old customer, whose account was written off as bad, has promised to pay Rs.350 in settlement of his full debt.
- C is required to bring Rs.8,000 as capital and Rs.2,000 as goodwill. His share of goodwill was calculated at Rs.2,400.

You are required to prepare Revaluation A/c, Partners Capital accounts and initial balance sheet of new firm.

12. Explain various methods of treatment of goodwill on the retirement of a partner.
13. L, M and N Share profits in the ratio 3:2:1. They have decided to dissolve the firm on 31.03.2005 on which date their balance sheet was as follows. They have also decided to distribute the cash among themselves piecemeal. Prepare the statement showing the distribution of cash:

<b>Liabilities</b>	<b>Rs.</b>	<b>Asset</b>	<b>Rs.</b>
Creditors	20,000	Machinery	70,000
L's Capital	40,000	Stock	35,000
M's Capital	30,000	Debtors	20,000
N's Capital	25,000	Cash	5,000
L's Loan	10,000		
M's Loan	5,000		
	1,30,000		1,30,000

Assets realised as follows:

- I Realisation Rs.25,000
- II Realisation Rs.45,000
- III Realisation Rs.45,000

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