

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 - NOV'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. Swamy & Co. has opened a branch at Nagercoil. The following is a list of transactions between the head office and the branch for the year ending June 30, 2024.

| Particulars | Rs. |
|---|--------|
| Stock at branch on 31 st July 2023 | 3,000 |
| Goods supplied to branch during the year | 48,000 |
| Salaries | 2400 |
| Rent | 720 |
| Telephone | 200 |
| Petty expenses | 300 |
| Remittance received from the branch during the year | 55,000 |
| Stock on 30 th June 2024 | 2,500 |
| Balance of petty cash | 20 |

All the branch expenses are paid by Head Office. Give journal entries and show the branch account in H.O.books.

2. The following purchases were made by a business house having three departments:
 Department A 1,000 units
 Department B 2,000 units at a total cost of Rs.1,00,000
 Department C 2,400 units
 Stocks on 1st January were:
 Department A 120 units, department B 80 units and department C 152 units
 The sales were:
 Department A 1,020 units @ Rs.20 each
 Department B 1,920 units @ Rs.22.50 each
 Department C 2,496 units @ Rs.25 each
 The rate of gross profit is the same in each case. Prepare departmental trading account.

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3. Show how the following items will appear in the Capital Accounts of the partners, Babu and Gopu when their capitals are fluctuating:

| Particulars | Babu (in Rs.) | Gopu (in Rs.) |
|----------------------------|------------------|------------------|
| Capital on 1.1.2023 | 8,00,000 | 7,00,000 |
| Drawings during 2023 | 1,60,000 | 1,40,000 |
| Interest at 5% on drawings | 4,000 | 2,000 |
| Shares of profits for 2023 | 84,000 | 66,000 |
| Interest on capital at 6% | 48,000 | 42,000 |
| Salary | 72,000 | NIL |

4. A, B, C were partners in a firm, sharing profits and losses in the ratio of 3:2:5. C retires and on that date, the firm's goodwill is valued at Rs.80,000. Pass necessary journal entry to adjust goodwill at the time of retirement.
5. Explain the various features of an Independent Branch.
6. P sells two products manufactured in his factory. The goods are made in two departmental X and Y for which separate set of accounts are maintained. Some of the manufactured goods of department X are used as raw material by department Y and vice versa.

From the following particulars you are required to ascertain the total of goods manufactured in departments X and Y.

| | Dept. X | Dept. Y |
|---------------------------|-----------|----------|
| Total units manufactured | 10,00,000 | 5,00,000 |
| Total cost of manufacture | Rs.10,000 | Rs.5,000 |

Dept. X transferred 2,50,000 units to Dept. Y and Dept. Y transferred 1,00,000 units to Dept.X.

7. X and Y are partners sharing profits in the ratio of 4:2. They admit Z into the firm. The new profit sharing ratio among X, Y and Z is 5:3:2. Find out the sacrificing ratio.
8. Bim, Gim and Nim are partners sharing profits in the ratio of 2:3:5. Goodwill appears in their books at a value of Rs.60,000. Bim retires and on the day of Bim's retirement, goodwill is valued at Rs.30,000. Gim and Nim decided to share the future profits equally. Pass the necessary journal entries for goodwill.

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Section C

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

9. The Calcutta Commercial Company invoiced goods to its Jamshedpur Branch at cost. The Head office paid all the branch expenses from its bank except petty cash expenses which were paid by the branch. From the following details relating to the Branch, prepare. (i) Branch Stock A/c
(ii) Branch Debtors A/c
(iii) Branch Expenses A/c
(iv) Branch P & L A/c

| | Rs. | | Rs. |
|----------------------------|--------|---------------------------------------|--------|
| Stock (Opening) | 21,000 | Discount to customers | 4,200 |
| Debtors (Opening) | 37,800 | Bad debts | 1,800 |
| Petty Cash (Opening) | 600 | Goods returned by customers to branch | 1,500 |
| Goods sent from H.O. | 78,000 | Salaries & Wages | 18,600 |
| Goods returned to H.O. | 3,000 | Rent & Rates | 3,600 |
| Cash Sales | 52,500 | Debtors (Closing) | 29,400 |
| Advertisement | 2,400 | Petty Cash (Closing) | 300 |
| Cash received from debtors | 85,500 | Credit Sales | 85,200 |
| Stock (Closing) | 19,500 | | |
| Allowances to customers | 600 | | |

10. Distinguish between wholesale profit and retail profit.
11. A company had two departments M and N. M department supplies goods to N department at its usual selling price. From the following figures, prepare departmental Trading and Profit and Loss account for the year 2023.

| | Department | |
|----------------------------|------------|------------|
| | M (Rs.) | N (Rs.) |
| Opening Stock 1-1-2023 | 30,000 | - |
| Purchases | 2,10,000 | - |
| Transfer to N department | 50,000 | 50,000 |
| Sales | 2,00,000 | 60,000 |
| Closing Stock (31-12-2023) | 40,000 | 10,000 |
| Salaries | 12,000 | 1,000 |
| Other expenses | 3,000 | 500 |
| Postages | 500 | 100 |
| Discounts received | 2,500 | 1,000 |

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12. The following is the balance sheet of X and Y who share profits in the ratio of 3:2 as on 31.3.1997.

| Liabilities | Rs. | Assets | Rs. |
|-------------|--------|-----------|--------|
| X's capital | 20,000 | Buildings | 30,000 |
| Y's capital | 25,000 | Stock | 15,000 |
| Creditors | 15,000 | Debtors | 10,000 |
| | | Bank | 5,000 |
| | 60,000 | | 60,000 |

On the date, Z was admitted as a partner on the following terms:

- He will pay Rs.25,000 as capital.
- He will pay Rs.10,000 as goodwill and share $1/5^{th}$ share in profits of the firm.
- The assets are to be revalued as under: Buildings Rs.40,000; Debtors Rs.9,000; Stock Rs.14,000.

Find out new profit sharing ratio and prepare Revaluation account, Capital accounts and Balance sheet.

13. Kin, Min and Tin are partners sharing profits and losses equally. Their balance sheet as on 31.3.2023 is:

| Liabilities | Rs. | Assets | Rs. |
|-----------------|----------|--------|----------|
| Creditors | 47,000 | Cash | 36,000 |
| General Reserve | 30,000 | | 78,000 |
| Capital A/c: | 2,54,000 | | 19,000 |
| Kin : 82,000 | | | 42,000 |
| Min: 82,000 | | | 56,000 |
| Tin : 90,000 | | | 1,00,000 |
| | 3,31,000 | | 3,31,000 |

Tin died on 1st April 2023 and the following agreement was to be put into effect:

- Goodwill was valued at Rs.60,000 and Tin was to be credited with his share.
- Assets were revalued : Machinery to Rs.1,17,000; Furniture to Rs.46,000; Stock to Rs.15,000.
- Rs.21,000 was to be paid away to the Tin's executors on 1st April 2023.

Prepare revaluation A/c Capital A/c and Balance sheet of new firm.
