

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 - NOV'2024

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. What are the features of Dependent Branch?
2. From the following particulars prepare a branch account showing the profit or loss at the branch.
Opening Stock at the branch Rs.15,000; Goods sent to the branch Rs.45,000; Sales Rs.60,000; Salaries Rs.5,000; Other Expenses Rs.2,000. Closing stock could not be ascertained but it is known that the branch usually 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.
3. Classify the difference between departments and branches.
4. Compute the interest chargeable to the partner. In a Partnership, partners are charged interest on drawings at 12% p.a. During the year ended 31st Dec. 2023, a partner drew as follows:
Feb 1 Rs.1,500; May 1 Rs.5,500; June 30 Rs.1,500; October 31 Rs.6,500; December 31 Rs.2,000.
5. Explain how to calculate gaining ratio and new profit sharing ratio at the time of retirement of a partner.
6. Profits of the firm for the last five years were:
2019 - Rs.15,000; 2020 - Rs.20,000; 2021 - Rs.25,000; 2022 - Rs.20,000; 2023 - Rs.20,000. The capital employed in the firm is Rs.2,00,000. You are required to compute the value of goodwill at 3 years' purchase of super profits, assuming that the normal rate of return on capital employed is 5%.
7. X, Y and Z are partners sharing profit and losses in the ratio 2:2:1. Y retires from the firm. Goodwill of the firm is valued at Rs.40,000 but it is not allowed to remain in the books. X and Z share future profits in the ratio 2:1. Prepare journal entries.
8. Determine the settlement of accounts on partners after dissolution of the firm.

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

10. From the following particulars prepare Departmental trading profit and loss account for the year ended 31st December 2023.

2023	Dept. A (Rs.)	Dept. B (Rs.)
Stock January 1	40,000	-
Purchase from outsiders	2,00,000	20,000
Wages	10,000	1,000
Transfer of goods from Department A	-	50,000
Stock Dec. 31 at cost to the department	30,000	10,000
Sales to outsiders	2,00,000	71,000

B's entire stock represents goods from department a which transfers them at 25% above its cost. Administrative and selling expenses amounted to Rs.15,000 which are to be allocated in A and B in the ratio of 4:1 respectively.

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11. A and B are partners sharing profit in the ratio of 3:1. Their Balance sheet stood as under 31.3.2024

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Salary due		5,000	Stock		10,000
Creditors		40,000	Prepaid Insurance		1,000
Capital			Debtors	8,000	
A	30,000		Less: Provision	500	7,500
B	20,000	50,000	Cash		18,500
			Machinery		22,000
			Buildings		30,000
			Furniture		6,000

C is admitted as a new partner introducing a capital of Rs.20,000, for his $\frac{1}{4}^{th}$ share in future profits. Following revaluations are made:

- i. Stock be depreciated by 5%;
- ii. Furniture be depreciated by 10%;
- iii. Building be revalued at Rs.45,000;
- vi. The provision for doubtful debts should be increased to Rs.1,000.

Pass Journal Entries, Ascertain the Revaluation account and Balance Sheet after admission.

12. The following is the Balance Sheet of P and Q as on 31st March 2024.

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Sundry creditors	65,000	Cash at Bank	36,000
Reserves	30,000	Sundry Debtors	50,000
Capitals		Stock	44,000
P	60,000	Patent rights	20,000
Q	25,000	Plant & Machinery	20,000
		Profit & Loss A/c	10,000
	1,80,000		1,80,000

The partners were sharing profits and losses equally. Q decides to retire from the firm. Plant and machinery are valued at Rs.26,000; stock is valued at Rs.42,500 and 5% of debtors is provided for doubtful debts. Patents right is to be written off from the Firm's book. The goodwill of the firm is valued at Rs.8,000. Q is paid the total amount due to him immediately on retirement. Give journal entries, prepare ledger accounts and also prepare Balance Sheet of P immediately after the retirement of Q.

13. Determine the meaning of Dissolution and explain the modes of Dissolution.
