



20101139

QP CODE: 20101139

Reg No : .....

Name : .....

**B. COM DEGREE (CBCS) EXAMINATION, NOVEMBER 2020**

**Second Semester**

**Core Course - CO2CRT04 - FINANCIAL ACCOUNTING II**

(Common for B.Com Model II Computer Applications, B.Com Model II Finance & Taxation, B.Com Model II Marketing, B.Com Model II Travel & Tourism, B.Com Model III Office Management & Secretarial Practice, B.Com Model III Taxation, B.Com Model III Computer Applications, B.Com Model III Travel & Tourism, B.Com Model I Computer Applications, B.Com Model I Co-operation, B.Com Model I Marketing, B.Com Model I Finance & Taxation, B.Com Model I Travel & Tourism, B.Com Model II Logistics Management)

2017 ADMISSION ONWARDS

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**Instructions for private candidates only:** This question paper contains two sections. Answer **SECTION I** questions in the answer book provided. **SECTION II** Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II**.

**SECTION I**

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any ten questions.  
Each question carries 2 marks.*

1. Who is a Hire vendor?
2. State two disadvantages of hire purchase system to the hire vendor?
3. What is Annuity?
4. What do you mean by independent branch?
5. Give journal entry for goods in transit .
6. What is departmental accounting?
7. How would you allocate Advertisement and Depreciation among different departments of Departmental Organisation?
8. Briefly describe the legal position as to the settlement of firm's debts and private debts





9. Mention the modes of dissolution of a firm
10. What is Garner Vs Murray decision?
11. What is piecemeal distribution?
12. What is ASB?

(10×2=20)

**Part B**

Answer any **six** questions.  
Each question carries **5** marks.

13. Explain the accounting records in the books of hire vendor under Credit Purchase Method?
14. Accounting treatment of Complete Repossession in the books of both hirer and hire vendor?
15. How will you ascertain remittance from a branch to head office
16. How inter branch transactions are dealt in the accounting of independent branch
17. Differentiate between branches and department.
18. From the following prepare Trading and Profit and Loss Account of Department A and B of Saira Stores for the year ending 31st March 2017

	Dept A	Dept B
Opening Stock	5000	10,000
Purchases	34,000	50,000
Sales	80,000	91,000
Sales return	8,000	3,000
Purchase return	4,000	10,000
Closing Stock	7,000	7,000
Wages	4,000	3,000
Salaries	6,000	3,500
Commission	1500	2800

The expenses not directly chargeable to any department were:

Carriage outwards	3,500
Carriage inwards	3,000
Miscellaneous expenses	4,000
Directors fees	7,000
Interest received	1,500

Prepare Trading and Profit and Loss account and General Profit and Loss account





19. X and Y were in partnership and agreed to dissolve. The assets realized Rs 1,50,000. The liabilities were as follows: Sundry creditors Rs. 90,000 Loan from X Rs. 40,000 Capital of X Rs. 20,000 ,Capital of Y Rs 30,000

They share profits and losses in the ratio of X  $\frac{3}{4}$  and Y  $\frac{1}{4}$ . Prepare Realization account.

20. X, Y, and Z are partners sharing profits and losses equally. Below is their Balance Sheet as on 31/12/2018 when they decided to dissolve the firm.

Liabilities	Amount	Assets	Amount
Sundry Creditors	10,000		
Capital accounts:		Sundry Assets	60,000
X	29,000	Cash at Bank	4,000
Y	20,000	Profit and loss account	6,000
Z	11,000		
	70,000		70,000

The partnership is dissolved and the assets are realized as follows:

First Realisation Rs.6,000; Second Realisation Rs.9,000; Third realization Rs. 15,000;

Fourth Realisation Rs. 18,000.

Prepare a statement showing how the distribution should be made by following Maximum Loss Method.

21. Explain the concepts relevant for the selection of accounting policies?

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Varsha Agencies purchased a Washing Machine on 1.1.2015 on hire purchase system. The total cash price of the Machine was Rs. 31,960; payable Rs. 8,000 down and three instalments of Rs. 12,000; Rs. 10,000 and Rs. 4,000 payable at the end of the first, second and third year respectively. Interest was charged at 5% per annum. Depreciation was charged at 10% p.a. on straight line method.

Prepare important ledger accounts in the books of both the parties.

23. Record the following transactions concerning the Delhi branch for the year ended Dec. 31<sup>st</sup> 2016 in the head office books .the head office uses the stock and debtors system for recording transactions with and at the branch.







Stock and branch (1-1-2016)	20,000	Cash remitted to the branch for
expenses	8,000	
Debtors at branch (1-1-2016)	9,000	
Goods sent to the branch during		Cash collected from debtors
57,000		
the year	1,10,000	Discount allowed to them
1,100		
Cash sales at the branch	30,000	Stock at branch (31-12-2016)
38,000		
Debtors at the end	10,900	Petty cash at branch at the end
of the Year	100	

The branch remits all the cash collected to the head office and has instructions to sell the goods at the invoice price, i.e., cost plus 25%. The opening and closing stocks and goods sent to the branch are all at invoice price

24. From the following balances prepare Departmental Trading and Profit and Loss Account for the year ended 2018.

Opening Stock:		Salaries:	
Dept X	50,000	Dept X	60,000
Dept Y	65,000	Dept Y	50,000
Purchases:		Insurance:	
Dept X	3,90,000	Dept X	15,000
Dept Y	8,50,000	Dept Y	12,000
Sales:		Miscellaneous Expenses	55,000
Dept X	7,75,000		
Dept Y	11,50,000		

Additional Information:

1. Closing stock of Department X is Rs.50,000 including goods from Dept B Rs.8,000 at cost to Dept A and closing Stock of Dept Y is Rs.40,000 including goods from Dept X Rs.15,000 at its usual selling price.
2. Opening stock of Dept X and Dept Y includes goods of the value Rs.10,000 and Rs.8,000 taken from Dept Y and Dept X respectively at cost to transferer Departments.

During the year Dept X transferred goods to Department Y of the value of Rs.1,85,000 and Dept Y transferred goods to Dept X of the value of Rs.2,75,000 both at usual selling price to transferer departments.





25. A, B and C are partners sharing profits and losses equally. Below is their Balance Sheet as on 31/03/2017.

Liabilities	Amount	Assets	Amount
Sundry Creditors	20,000	Cash	3,120
Loan( secured by furniture)	10,000	Stock	15,630
Capital accounts:		Sundry Debtors	4,720
A	8,000	Furniture	9,530
B	6,000	Profit and loss account	12,000
C	1,000		
	45,000		45,000

The firm was dissolved due to insolvency of all the partners. Stock was sold for Rs. 9,900 while furniture fetched Rs. 5,000. Rs. 4,100 were received from debtors. Realisation expense totalled Rs. 220. Nothing could be recovered from B and C, but Rs. 600 could be collected from A's private estate.

Close the books of the firm.

(2×15=30)

