



QP CODE: 22008033



22008033

Reg No :

Name :

B.COM DEGREE (CBCS) PRIVATE EXAMINATION, JULY 2022

Second Semester

B.COM

CORE - CO2CRT04 - FINANCIAL ACCOUNTING II

2017-2019 ADMISSIONS

053BE6D7

Time: 3 Hours

Max. Marks : 80

Instructions: 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

Part A

Answer any ten questions.

Each question carries 2 marks.

1. What is Net Hire Purchase Price?
2. Should depreciation to be charged on fixed assets purchased on hire purchase in the books of hire purchaser?
3. What is Interest Suspense Method?
4. How will you treat surplus in branch stock account?
5. What is incorporation of trial balance?
6. What is apportionment of expenses under departmental accounting?
7. How would you allocate Managing Directors Salary and Commission 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 any four circumstances under which a partnership firm is dissolved.
10. Name the two methods of piecemeal distribution.
11. How would you treat an unrecorded asset taken by a partner at the time of dissolution?





12. What is AS 25?

(10×2=20)

Part B

Answer any six questions.

Each question carries 5 marks.

13. Explain the contents of Hire Purchase Agreement.
14. From the following ascertain the cash value of the goods sold on hire purchase system:

₹

Cash Down Payment	: 7,000
At the end of the first year	: 7,800
At the end of the second year	: 7,200
At the end of the third year	: 6,600
Interest charged by the hire vendor	: 10%

15. What are the different methods of maintaining account of dependent branches.
16. On 31st Dec 2014 , head office account in Madras branch book shows a credit balance of Rs 28,000. On the same day , the Madras branch account in head office book shows a debit balance Rs 32,000. On verifying the books it is found that goods sent by head office to the branch but not received by the branch before the closing date amounted to Rs 2,500 Show , how the adjusting entries will appear in the books of head office and branch .
17. Differentiate between branches and department.
18. From the following prepare Departmental Trading and Profit and Loss account and General Profit and Loss Account for the year ended 31.12.2018

Particulars	Dept X	Dept Y
Opening Stock	40,000	10,000
Purchases	2,15,000	30,000
Wages	20,000	10,000
Transfer from Dept X		60,000
Closing Stock	45,000	22,000
Sales	2,10,000	80,000

The entire closing stock of Department Y represents goods transferred from Department X at cost plus 25%. Distribution expenses amounted to Rs.24, 000 which is to be allocated between departments in the ratio 5:1.



19. Explain Garner Vs Murray case decision.
20. A, B, and C are partners sharing profits and losses in the proportion of 1/2, 1/3 and 1/6. Below is their Balance Sheet as on 31/12/2018 when they decided to dissolve the firm.

Liabilities	Amount	Assets	Amount
Sundry Creditors	50,000	Land & Buildings	70,000
A's Loan	10,000	Plant & Machinery	40,000
Capital accounts:		Stock	25,000
A	50,000	Debtors	20,000
B	10,000	Cash	5,000
C	40,000		
	1,60,000		1,60,000

The partnership is dissolved and the assets are realized as follows:
 First Realisation Rs.40,000; Second Realisation Rs.30,000; Third realization Rs. 54,000;
 Fourth Realisation Rs. 7,000.
 Prepare a statement showing how the distribution should be made by following Proportionate Capital Method.

21. What is IFRS? What are its objectives?

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. On 1.1.2016 Menon purchased a Motor car from Popular Automobiles on hire purchase system. Cash price of the Car was Rs. 2,50,000; payable Rs.70,000 down and the balance in three annual instalments of Rs. 67,500 each on 31st December every year. Interest was charged at 6% p.a. on the yearly balances. Depreciation was charged at 10% p.a on reducing instalment method.

Menon failed to pay the instalment due on 31.12.2017 and Popular automobiles repossessed the car. On 1.2.2018 the vendor spent Rs. 9,000 for reconditioning the car and sold it for Rs. 1,95,000.

Show the ledger accounts in the books of both the parties.

23. A head office at Madras has a branch at Ranni. Goods are sent by the head office to its branch at cost which the branch sell both for cash and on credit. The following relate to the branch for the year 2015.



Stock at branch on 1.1.15	24,000
Branch debtors 1.1.15	7,000
Furniture at Branch on 1.1.15	8,000
Goods sent to branch during the year	1,40,000
Cash sales during the year	82,000
Credit sales during the year	90,000
Cash received from debtors	83,000
Returns by debtors to branch	2,000
Discount allowed to debtors	1,000
Bad debts written off	500
Remittance to branch for expenses	7,000
Stock at branch on 31.12.15	40,000
Branch debtors on 31.12.15	10,500
Value of furniture on 31.1.15	6,400

Prepare Ranni branch account to find out profit at the branch . Also prepare branch debtors account . The entries in profit and loss account and balance sheet as on 31-12-2015.

24. From the following balances prepare Departmental Trading and Profit and Loss account for the year ended 31.03.2018

Opening Stock		Sales:	
Dept A	2,50,000	Dept A	10,50,000
Dept B	3,50,000	Dept B	12,50,000
Purchases:		Salaries:	
Dept A	6,50,000	Dept A	90,000
Dept B	9,50,000	Dept B	1,00,000
Closing Stock:		Carriage Inwards:	
Dept A	3,00,000	Dept A	50,000
Dept B	3,30,000	Dept B	60,000
		General managers Salary	1,00,000

Additional Information:

- Closing stock of Dept A includes goods taken from Dept B at a value of Rs.70,000 at a profit of 20% on invoice price
Closing stock of Dept B includes stock of the value of Rs.50,000 delivered by Dept A at a profit of 25% on cost.
- During the year Dept A transferred goods of the value of Rs. 1,00,000 to Dept B and Dept B transferred goods of the value of Rs. 1,40,000 to Dept A.
- The opening stocks are at cost price to the transferer Departments.

25. X,Y and Z are partners . Below is their Balance Sheet as on 31/12/2018 when they





decided to dissolve the firm.

Liabilities	Amount	Assets	Amount
Sundry Creditors	60,000	Sundry Assets	55,000
Capital accounts:		Profit and Loss Account	12,000
X	22,000	Y's Capital	25,000
Z	10,000		
	92,000		92,000

The assets realized Rs. 41,000. Expenses on realization amounted to Rs 1,000. The position of the partners on the date of dissolution was as follows.

	Private Estate	Private Liabilities
X	18,000	20,000
Y	12,000	21,000
Z	12,000	10,000

Prepare necessary ledger accounts to close the books of the firm assuming that all partners are insolvent.

(2×15=30)

