



QP CODE: 21103179



21103179

Reg No :

Name :

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS,
DECEMBER 2021**

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)

For Regular Candidates : 2017 Admission Onwards

For private Candidates : 2020 Admission Only

1970A5B1

Time: 3 Hours

Max. Marks : 80

Instructions to 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

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Who is a Hire vendor?
2. What is Instalment Purchase System?
3. Should depreciation to be charged on fixed assets purchased on hire purchase in the books of hire purchaser?
4. Define a Branch.
5. What do you mean by abridged incorporation?
6. What do you mean by departmental trading account?
7. How would you allocate Lighting and Rent among different departments of Departmental Organisation?



8. Mention the order of settlement of claim on dissolution of a firm.
9. Mention any four circumstances under which a partnership firm is dissolved.
10. Explain proportionate capital method.
11. Explain the treatment of goodwill at the time of dissolution of firm.
12. What is AS 22?

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. On 1-1-2014 Ramaswamy purchased a Machine under hire purchase system. According to the terms of agreement ₹ 40,000 was to be paid on signing the agreement. The balance amount was to be paid in four annual instalments of ₹ 25,000 each together with interest. The cash price was ₹ 1,40,000. Interest is chargeable on outstanding balance at 20% per annum. Calculate interest for each year and the instalment amount.
14. Accounting treatment of Partial Repossession in the books of both hirer and hire vendor?
15. Mr. Ram of Kochi has a branch at Trivandrum which sells goods for cash only. The following are the transactions between the branch and the head office for the year ended 31st Dec. 2016.

Opening stock on 1st January 2016	2,00,000
Goods supplied to branch	5,00,000
Cash sent to branch for rent	2,000
Cash sent to branch for other expenses	1,000
Cash received from the branch	6,00,000
Closing stock on 31st December 2016	1,50,000
Petty cash balance on 31st December 2016	100

Pass journal entries and prepare branch account in the books of the head office.

16. The following are extracted from the Trial balance of head office and its Bombay Branch:

	Head office	Bombay branch
	Dr.	Cr.
Branch account		
Goods sent to Bombay branch	34,000	23,000
Goods received from H. O		21,000
Head office account		29,000

Show how the adjusting entry 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. Explain the accounting steps for the dissolution of a firm.
21. What are Accounting standards?

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Jass Traders purchased a Truck for Rs. 5,60,000 from Harita Finance Ltd. Under Hire Purchase System. Payment was to be made Rs.1,50,000 down and 3 instalments of Rs.1,50,000 each at the end of each year. Interest on the outstanding amount is charged at 5% p.a. The truck is depreciated @ 10% on Diminishing Balance Method.

Jass Traders paid the down money and the first instalment at the end of the first year but could not pay the second instalment and as a result Harita Finance Ltd. repossessed the truck. Prepare accounts in the books of Jass Traders.

23. Stylish Products Ltd has its head office in Kolkata and a branch at Delhi. the branch keeps a debtors ledger only and banks all cash received to the credit of head office bank account. All expenses of the branch are paid by the head office. Goods are invoiced to the branch at selling price which is cost plus 33 1/3%. On 1st January, 2016 at the commencement of the financial year, the following balances appeared in head office



ledger.

Branch debtors a/c	15,000
Branch stock a/c	6,000(at selling price)
Branch adjustment a/c	1,500(Cr.)

The following were the transactions of the branch for the year ended 31st Dec. 2016-

Cash sales	7,500
Discount allowed to branch debtors	3,690
Credit sales	1,50,000
Goods from head office at selling price	1,80,000
Branch expenses paid by head office	37,500
Cash received from branch debtors	1,44,000
Stock at branch on 31st Dec. 2016 at selling price	24,000

Prepare the necessary ledger accounts relating to branch transactions in the books of the head office according to stock and debtors system.

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. The following is the Balance Sheet of A,B and C as on 31st December 2018, when they decided to dissolve the firm.

Liabilities	Amount	Assets	Amount
Sundry Creditors	15,000	Sundry Assets	67,500
Capitals:			
A	16,500		
B	27,000		
C	9,000		
	67,500		67,500

The partners share the profits and losses in the ratio 3:2:1. The assets realized as follows:

First instalment 10,000. Second instalment 20,000. Third instalment 10,500. Fourth installment 9,000. Show the distribution of cash under (a) Proportionate capital method and (b) Maximum possible loss method.

(2×15=30)