



23124629

QP CODE: 23124629

Reg No :

Name :

**B.COM DEGREE (CBCS) REGULAR / IMPROVEMENT / REAPPEARANCE
EXAMINATIONS, MAY 2023**

Second Semester

Core Course - CO2CRT04 - FINANCIAL ACCOUNTING II

(Common to all B.Com Degree Programmes)

2017 Admission Onwards

CD22939B

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***

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is 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 Credit Purchase Method?
4. What is invoice price?
5. What is incorporation of trial balance?
6. Define departmental accounting.
7. How would you allocate income tax and interest on borrowed capital among different departments of departmental organisation?
8. Mention the order of settlement of claim on dissolution of a firm.
9. What is Garner Vs Murray decision?
10. Explain the treatment of goodwill at the time of dissolution of firm.



11. When all the partners are insolvent, how the deficiency is treated?
12. What is AS 10?

(10×2=20)

Part B

Answer any six questions.

Each question carries 5 marks.

13. Distinction between Hire Purchase System and Installment System?
14. X bought a Machinery on 1st January 2012 under hire purchase system from Elegant Machines. ₹ 20,000 is paid on signing the agreement and the balance in 3 equal instalments of ₹ 24,000 each. Interest is charged at 20% per annum. Calculate the cash price of the Machine.
15. Give the classification of branches from accounting point of view.
16. Show what entries would be passed by the head office to record the following transaction in their books,
- a) Goods amounting to Rs. 5000 transferred from Delhi branch to Agra branch under the instruction of head office.
- b) A remittance of Rs. 6,000 made by the Agra branch to head office on 25th December and received by the head office on 6th January.
- c) Goods worth Rs. 15,000 shipped by the head office to Delhi Branch on 28th December and received by the latter on 6th January. Assume that the yearly closing date was 31st December.
17. Differentiate between branches and department.
18. A firm has two departments A and B. During the year ending 31st December 2018 the books of accounts showed the following:

	Dept A	Dept B
Opening Stock	5,000	10,000
Purchases	42,000	31,000
Sales	66,000	48,000
Return outwards	2,500	2800
Return inwards	1,500	3,000
Wages	3,300	1,800
Salaries	2,400	3,200
Closing Stock	6,500	8,500





The expenses not directly chargeable to any departments are:

Carriage inwards	2,600
Rent, rates and taxes	2,500
Carriage outwards	1,800
Miscellaneous expenses	1,400
General manager's salary	4,000
Interest received	2,000

Rent rates and taxes and miscellaneous expenses are to be allotted in the ratio 3 : 2.

Prepare trading and profit and Loss account and General Profit and Loss Account.

19. Distinguish between dissolution of a partnership and dissolution of a firm.
20. Explain the various methods of piecemeal distribution of cash.
21. Explain the applicability of Accounting standards..

(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 01.02.2018 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. Mangal Brothers with its head office in Delhi opened a branch at Agra on 01-01-2017. Goods are invoiced to the branch at cost plus 25%. From the following particulars ,calculate the gross profit or loss at Agra branch by stock and debtors system and open all necessary accounts:

Goods sent to Agra at invoice price	45000	stock on 31stDec. (at invoice price)	11800
Expenses paid by H.O.	7200	goods returned by the branch	
Discount allowed to debt	50	(invoice price)	600
Bad debts written off	80	goods returned by debtors	500



Sales : cash 21000 cash remitted to H.O 30500
 Credit 12000 33000 cash in hand on Dec. 31st 300

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

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

Additional Information:

- 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.
- 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. 1. A, B, and C are partners sharing profits and losses as 5:3:2 . Below is their Balance Sheet as on 31/12/2018 when they decided to dissolve the firm.

Liabilities	Amount	Assets	Amount
Sundry Creditors	40,000	Premises	40,000
A's Loan	10,000	Plant	30,000
Capital accounts:		Stock	30,000
A	50,000	Debtors	60,000
B	15,000		
C	45,000		
	1,60,000		1,60,000



It was agreed to repay the amount due to the partners as and when the assets were realized, viz.

First Realisation Rs.30,000; Second Realisation Rs.73,000; Third realization Rs.47,000;
Prepare a statement showing how the distribution should be made and write up the Cash Account and Partners Capital Accounts.

(2×15=30)

