

13210

B.Com II Semester Degree Examination, May/June 2018

COMMERCE

2.3 Financial Accounting-II (Old)

Time: 3 Hours

Max. Marks: 80

Section –A

Answer any ten of the following

(10X2=20)

1. What is meant by Amalgamation?
2. What is Revaluation Account?
3. What is Purchase Consideration?
4. What is meant by dissolution of a firm?
5. Give the meaning of Royalty.
6. What do you mean by lease?
7. What are goods in transit?
8. Mention different types of Branches?
9. Who is called insolvent Partner?
10. What is Short working?
11. What is goods in-transit?
12. Write two features of Dependent Branch?

Section – B

Answer any three of the following

(3X5=15)

13. Write the rule of Garner Vs Murray
14. Write a short note on
 - a) Minimum Rent
 - b) Short Workings
 - c) Dead rent in case of Strike
15. From the following information Prepare Branch debtors account
 - a) Debtors 01.01.2006 12,500
 - b) Debtors 31.12.2006 17,850
 - c) Allowances to customer 375
 - d) Cash received from debtors 25,500
 - e) Return from debtors 310
 - f) Discount allowed to customers 1,200
 - g) Bad debts 450
16. Following are the Particulars of two Dept. X & Y Prepare Trading & P/c A/c. assuming that all indirect expenses are allocate for two dept in the ration of 2:1

Particulars	X	Y	Total
Opening Stock	10,000	15,000	25,000
Purchases	20,000	30,000	50,000
Sales	50,000	60,000	1,10,000
Closing Stock	10,000	20,000	30,000
Rent			6,000
Salary			3,000
Advertisement			9,000

17. 'Arun' Company limited agreed to take over the assets of a firm as under.

Calculate purchase consideration.

a) Machinery	25,000
b) Land & Buildings	50,000
c) Stock	24,000
d) Debtors	21,000
e) Good will	20,000

The Company also agreed to take over its conditions and bills payable at book values which were Rs. 16,000 and Rs. 14,000 Respectively. The Purchase consideration was settled by the issue of Rs. 10,000 equity shares of Rs 10 each & balance in cash.

Section – C

Answer any three of the following.

(3X15=45)

18. P,Q&R are equal partners. They decided to dissolve the firm on 31.12.2010

on that date their B/S was as follows.

Liabilities	Rs.	Assets	Rs
Creditors	20,000	Cash at Bank	8,000
Bills Payable	10,000	Other Assets	1,32,000
<u>Capitals</u>			
P- 60,000			
Q- 40,000			
R- 10,000	1,10,000		
	1,40,000		1,40,000

The other assets realised Rs. Only 70,000 and realisation expenses Rs. 2,000 R became insolvent unable to bring anything. Show the necessary accounts as per rule in Garner Vs Murray Case.

19. The B/S of M/S P&Q and R&S as on 31.12.2016 were as follows.

Liabilities	P&Q	R&S	Assets	P&Q	R&S
<u>Capitals</u>			Building	10,000	12,000
P	10,000		Machinery	7,000	8,000
Q	10,000		Furniture	3,000	3,500
R		10,000	Debtors	6,000	8,000
S		10,000	Stock	8,000	10,500
Creditors	15,000	10,000	Cash at Bank	3,000	1,000
Loan		10,000			
Bills Payable	2,000	3,000			
	37,000	43,000		37,000	43,000

The firm is decided to amalgamate & form is to M/s. PQRS & Co., & agreed to share profit & loss equally in the new firm with effect from 01.07.2017 . the forms of amalgamation were as.

a) They agree to revaluation of assets & Liabilities as follows.

	P&Q	R&S
Building	12,000	15,000
Machinery	7,000	7,500
Furniture	2,500	2,500
Debtors	4,500	7,000
Stock	7,000	12,000
Bills Payable	2,000	3,500

b) The good will of P&Q is Rs. 10,000 & Round is Rs. 5,000

c) Each partner should name Rs. 16,000 as capital in the new firm. Cost should brought in or Paid if necessary.

d) Prepare necessary accounts in the old firm & give B/S in the new firm.

20. Vasavi Ltd, took a 20 years lease of a Gold mine from Mr. Vasant on a royalty of Rs.2 per tonne with a minimum rent of Rs. 20,000 per annum. Each year's excess of minimum rent over royalties is recoverable out of the Royalties of the next two years only. The output if the first six years was as follows.

Years	Output
2000	4,000
2001	7,000
2002	8,000
2003	12,000
2004	19,000
2005	20,000

Prepare the necessary accounts in the books of Vasavi Ltd, for the above period.

21. A department stores has two departments X and Y department X sells goods to department Y at normal market prices. From the following particulars prepare trading and Profit & Loss account for the year ending 31.03.2000.

Particulars	Dept. X	Dept. Y	Total
Opening Stock	10,000	-	-
Purchases	2,30,000	20,000	-
Goods from X Dept.	-	70,000	-
Wages	10,000	16,000	-
Salaries (Departmental)	6,800	4,200	-
Closing Stock at cost to department	50,000	18,000	-
Sales	2,30,000	1,45,000	-
Printing & Stationary	2,000	1,600	-
Machinery	-	12,000	-
Advertisement	-	-	10,000
Salaries (General)	-	-	18,000

Departmental machinery by 10% The general unallocated expenses are to be apportioned in the ratio of X: 3: Y:2 the entire stock of Y department represents that received from X department.

22. Ram Krishna opened a branch at Raichur on 01.01.2008 Goods are invoiced to the branch at cost plus 25% all cash received at the branch was booked duly.

From the following particulars prepare branch A/c in H.O.Books.

Stock on 01.01.2008(Invoice Price)	2,000
Debtors on 01.01.2008	24,000
Petty Cash on 01.01.2008	4,000
Petty Expenses	500
Total Sales	70,000
Stock on 31.12.2008(Invoice Price)	38,000
Debtors on 31.12.2008	40,000
Bad Debts	800
Goods sent to branch @ I.P	60,000
Goods returned from branch @ I.P	04,000

Branch Expenses paid by H.O:

Rent	-	3,000
Salary	-	3,200
Sundry expenses-		1,200
Petty Cash	-	600

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