



II Semester B.Com. Degree Examination, May 2017
COMMERCE
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 dissolution of a firm ?
2. State two objectives of sale to a company.
3. State the decisions in the Garner V/s Murray.
4. What do you mean by Amalgamation of Firm ?
5. Give the meaning of purchase consideration.
6. What is goods in transit ?
7. What do you mean by Minimum Rent ?
8. How do you allocate the following expense between the departments ?
 - a) Audit fees
 - b) Advertisement expenses.
9. Mention different types of branches.
10. What is sub-lease ?
11. Give the meaning of piecemeal distribution of cash.
12. Give two points of differences between revaluation account and realisation account.

P.T.O.



SECTION – B

Answer any three of the following :

(3x5=15)

- 13. What are the circumstances under which a firm is dissolved ?
- 14. From the following particulars, find out royalty and shortworkings in the books of Sharan (Royalty payable chart)
 - 1) Minimum Rent Rs. 40,000
 - 2) Royalty Rs. 2 per ton
 - 3) Right of recoupment first 3 years
 - 4) Year 2005 2006 2007 2008
 - Output (Ton) 12000 16000 20000 24000

15. State the order of payment under piecemeal distribution of cash.

16. From the following information, prepare branch debtors account.

Debtors 1-1-2013	Rs. 13,100	Debtors 31-12-2013	Rs. 16,550
Allowances to customers	350	Return from debtors	290
Cash received from debtors	24,600	Bad debts	300
Discount allowed to customers	1,200		

17. 'Z' Company Ltd. took over creditors and bank loan at Rs. 10,000 and Rs. 20,000 respectively and all the assets book value except debtors Rs. 30,000 and furniture Rs. 20,000 respectively. The book value of remaining assets was building Rs. 20,000, Stock Rs. 25,000, Goodwill Rs. 10,000 and cash at bank Rs. 5,000. Calculate purchase consideration.

SECTION – C

Answer any three of the following :

(3x15=45)

18. A, B and C are in partnership sharing profits and losses in the ratio of 4 : 3 : 3. Their Balance Sheet as on 31-12-2012 when they decided to dissolve the firm was as follows :

Liabilities		Rs.	Assets		Rs.
Sundry Creditors		5,000	Cash at bank		1,000
Capitals			Sundry assets		30,000
A	12,000		P and L A/c		4,000
B	9,000				
C	9,000	30,000			
		35,000			35,000

- 1) The sundry assets realised Rs. 10,500
 - 2) The realisation expenses amounted Rs. 1,000
 - 3) The creditors were paid off Rs. 4,500 in full satisfaction
- Prepare : 1) Realisation A/c 2) Capital A/c 3) Bank A/c

https://www.vskub.com

https://www.vskub.com



19. 'T' business was sold to 'A' company when their Balance Sheet prepared as under. The partners M and N sharing Profits and Losses in the ratio of 3 : 2.

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	1,00,000	Sundry Debtors	1,00,000
Bank O/D	10,000	P and M	50,000
Gen. Reserve	20,000	Furniture	5,000
Capitals		Investments	10,000
M	35,000	Closing stock	25,000
N	35,000	Cash in hand	10,000
	2,00,000		2,00,000

The Business was sold on the following conditions :

- 1) The creditors were taken over at Book value.
- 2) 'M' agreed to pay bank O/D.
- 3) 'A' company agreed to pay Rs. 10,000 as goodwill.
- 4) Company was to take over whole concern except cash and furniture at 10% less than book value.
- 5) The purchase price was paid in cash.

Prepare necessary ledger accounts to close the books of the firm.

20. Prepare important ledger accounts in the books of Head Office. Information pertaining to Gulbarga Branch in 2012.

Stock on 1 st January (Invoice price)	72,000
Debtors on 1 st January	37,200
Goods sent to branch (I.P.)	2,10,000
Goods returned by branch (I.P.)	6,000
Credit sales	1,26,000
Cash sales	1,20,000
Goods returned by customers	3,600
Cash received from debtors	1,18,800
Discount allowed to debtors	1,800
Cash sent for expenses at branch	36,600

Goods are invoiced to the branch so as to show a profit 20% on invoice price.

https://www.vskub.com

https://www.vskub.com



21. A coal company leased a mine on Royalty of Rs. 2 per tonne of coal raised with a minimum rent of Rs. 8,000 per year. The right of recoupment of shortworkings was out of royalties during the first three years. The quantity of coal raised were as under.

I year – 1600 tonnes

II year – 2000 tonnes

III year – 12000 tonnes

IV year – 16000 tonnes.

Prepare the necessary ledger A/cs in the Books of Coal Company.

22. From the following balances, prepare Departmental Trading and Profit and Loss Account for Suman Traders for the year ended 31-12-2012.

Opening stock	Dept. A	22,000
	Dept. B	10,800
Purchases	Dept. A	1,45,000
	Dept. B	2,34,000
Sales	Dept. A	2,20,000
	Dept. B	3,30,000
Wages	Dept. A	6,000
	Dept. B	8,000
Rent		12,000
Salaries		42,000
Gen. Expenses		6,000

Other information :

		Rs.
a) Goods were transferred	Dept. A to B	4,800
	Dept. B to A	4,000
b) Stock at the end	Dept. A	20,000
	Dept. B	30,000
c) Apportion all expenses on the basis of turnover.		