



II Semester B.Com. Degree Examination, May 2017
COMMERCE
Financial Accounting – II (Paper – 2.3) (Old) (2013 – 14)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any ten** of the followings :

(10×2=20)

1. Who is an insolvent partner ?
2. State the decisions in the Garner v/s Murray.
3. Give the meaning of dissolution of firm.
4. Give the meaning of piece meal distribution of cash.
5. What do you mean by amalgamation of firms ?
6. What is sale to a company ?
7. What is royalty ?
8. What is short working ?
9. State the types of branches.
10. Give the meaning of departmental accounts.
11. What is goods-in-transit ?
12. What is Revaluation Account ?

SECTION – B

Answer **any three** of the followings :

(3×5=15)

13. What are the objects of amalgamation ?
14. On what basis the following expenses are allocated to department.
 - a) Carriage inward
 - b) Commission on sales
 - c) Rent and rates
 - d) Audit fees
 - e) Accountancy charges.

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15. X Company Ltd. agreed to take over creditors Bank loan of Rs. 10,000 and Rs. 20,000 respectively and all the assets at 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.

16. From the following information prepare branch debtors account.

Debtors 1-1-2015 – 26,200, Allowances to customers 700, Debtors on 31-12-2015 – 33,100, cash received from debtors 49,200 return from debtors Rs. 580.

Discount allowed to customers Rs. 2,400

Bad debts Rs. 600

17. M/s A&B decided to Amalgamate their firm with M/S C&D from the following, Prepare revolution A/c in the books of A&B.

Assets and Liabilities	Book value	Realized values
Stock	22,500	22,250
Debtors	32,500	31,900
P&M	24,000	23,000
Furniture	5,000	4,250
Buildings	40,000	46,000
Creditors	13,250	12,500

A and B were sharing profits and losses in the ratio of 3 : 2.

SECTION – C

Answer **any three** of the followings :

(3×15=45)

18. X, Y and Z are equal partners. They decided to dissolve the firm on 31-12-2015 on the date their Balance Sheet was as follows.

Liabilities	Amount	Assets	Amount
Creditors	5,000	Cash at Bank	2,000
B/P	2,500	Other assets	33,000

Capital accounts.

x 15,000

y 10,000

z 2,500

27,500

35,000

35,000

The other assets realised Rs. only 17,500 and realization expenses Rs. 500 'Z' became insolvent and he is unable to bring anything. Show the necessary accounts as per the rule of Garner v/s Murray case.

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19. From the following particulars prepare the branch account and goods sent to branch account in the books of the head office.

The goods are supplied at cost of 25%

Stock on 1-1-2015 (invoice price)	27,000
Sundry debtors at branch 1-1-2015	22,500
Petty cash on 1-1-2015	60
Goods sent to branch (invoice price)	1,50,000
Cash sales	63,000
Credit sales	1,11,000
Goods returned by branch	4,500

Cash sent to branch

Salary	10,800	
Rent	8,400	
Petty cash	1,970	21,170
Cash received from debtors at branch		1,18,200
Discount allowed to debtors		1,800
Stock at branch on 31-12-2015 I.P.		33,900
Petty cash on 31-12-2015		90

All cash received by the branch remitted to H.O.

20. Maruthi Ltd. took a 20 years of gold mines from Gajanana on a royalty of Rs. 2 per ton with min. rent of Rs. 10,000 p.a. Each years excess of minimum rent over royalties is recoverable out of the royalties of the next two years only. The output of the first six years was as follows.

I year	2,000 tonnes
II years	3,500 tonnes
III years	4,000 tonnes
IV years	6,000 tonnes
V years	9,500 tonnes
VI years	10,000 tonnes

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

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21. P, Q and R are Partners sharing profits and losses in the ratio of 5 : 3 : 2. The following in the Balance Sheet of the Firm as on 31-12-2015, when they dissolve the Firm.

Liabilities	Rs.	Assets	Rs.
Creditors	40,000	Premises	40,000
P's loan	10,000	Plant	30,000
Reserve	10,000	Stock	30,000
Capitals :		Debtors	60,000
P	45,000		
Q	12,000		
R	43,000		
	1,60,000		1,60,000

It was decided to repay the dues to partners as and when the assets realised. The details of realisation are as follows :

Ist Instalment – Rs. 30,000

IInd Instalment Rs. 73,000

IIIrd Instalment Rs. 47,000

Prepare statement showing distribution of cash under surplus capital method.

22. A business is carried on in three separate Departments, Expenses are apportioned $\frac{1}{2}$ to A, $\frac{3}{10}$ to B and $\frac{1}{5}$ to C. From the following prepare Departmental Trading and Profit and Loss Account of the three Departments.

Particulars	Dept. A	Dept. B	Dept. C
Opening stock	1,78,200	56,000	12,500
Closing stock	1,93,600	47,100	31,600
Sales	11,17,400	5,61,300	4,85,100
Wages	2,74,000	1,32,800	91,500
Purchases	4,04,100	1,53,700	1,25,600
Salaries	94,500	57,200	41,600
Management salaries	Rs. 1,20,000		
Rent and taxes	Rs. 1,46,000		
Insurance	Rs. 21,000		
Gen. expenses	Rs. 87,000		
Postage and telegram	Rs. 11,000		
Bad debts	A – Rs. 27,600		
	B – Rs. 14,300		
	C – Rs. 22,400		
Printing and stationary	Rs. 26,000		
Depreciation	Rs. 74,000		
Advertisement	Rs. 45,000		

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