

B.Com. II Semester Degree Examination, May/June - 2019

COMMERCE

Paper : 2.3 : Financial Accounting - II

(New)

Time : 3 Hours

Maximum Marks : 80

Neatness carries Weightage.

Section - A

Answer any **ten** of the following.

(10×2=20)

1. Who is an Insolvent Partner?
2. Mention Two differences between Amalgamation and sale of partnership.
3. What is sale to a company?
4. What is piecemeal Distribution of cash?
5. What is Realization Account?
6. What is short working?
7. What is sub - lease?
8. How do you record inter departmental transfer of goods?
9. What is Joint venture?
10. Give two differences between Revaluation Account & Realization Account.
11. Give two objectives of departmental accounts.
12. What is joint Bank Account?

Section - B

(3×5=15)

Answer any **three** of the following :

13. State the objectives of Amalgamation of Firms.
14. State the objectives of sale to a company.
15. X & Y were partners in a joint venture sharing profits comes in the ratio of 3:2. 'X' supplies goods of the value Rs. 24,000 and Incurs expenses amounting to Rs. 4800. 'Y' supplies goods of the value Rs. 18,000 and Incurs Expenses amounting to Rs. 3000. 'Y' sells the goods on behalf of joint venture for Rs. 60,000. 'Y' is entitled to a commission of 5% on sales.

Prepare joint venture A/c in the Books of 'Y'

[P.T.O.]

(2)

16. 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.

17. A B and C are the partners sharing profits and losses in the Ratio of 2:2:1. They dissolved their firm on 31-3-2017. On that date their position was as follows.

Capital Accounts :

A	1,60,000
B	80,000
C	40,000
Reserve fund	40,000
Profit & Loss A/C [C/r]	20,000
Realization loss	1,00,000

Prepare the capital Accounts of the partners.

Section - C

Answer any **Three** of the following.

(3×15=45)

18. From the following information prepare the departments trading & profits & losses account for the year ending 31-12-2017

Particulars	Dept M	Dept N	Total
Opening stock	10,000	15,000	25,000
Purchases	2,10,000	1,05,000	3,15,000
Sales	4,15,000	3,10,000	7,25,000
Return outwards	10,000	5,000	15,000
Wages	18,000	16,000	34,000
Return inwards	15,000	10,000	25,000
Salary			40,000
Rent			10,000
Discount allowed			14,000
Discount Received			12,000
Advertisement			21,000
Closing stock	80,000	10,000	90,000

Other information :-

- 1) Staff appointed in Department M- 5 persons, N - 3 Persons.
 - 2) Area occupied by Department M - 600 sq.ft, N - 400 sq.ft.
 - 3) Inter departmental transfer :
 - a) Department M to N Rs. 20000
 - b) Department N to M Rs. 15000.
19. A mining company leased a land from Raju at a Royalty of Rs. 3 per tonne of ore raised with a minimum rent of Rs. 60,000 p/a. Each years excess of minimum rent over the actual royalties was recoverable out of the royalties of the next 3 years.

The working of the lease for the first five years.

Year	Output (Tonnes)
1989	12000
1990	18000
1991	27000
1992	45000
1993	75000

Prepare royalty a/c, short working a/c, and Rajus a/c, in the books of the company for the above period.

20. Ramesh somesh and umesh are partners sharing profits equally. They decided to dissolve the firm as on 31/12/2006

Balancesheet as on 31/12/2006

Liabilities	Amt.	Assets	Amt.
Capitals		Buildings	25000
Ramesh	30000	Machinery	7000
Somesh	20,000	Furniture	3000
Umesh	10,000	Stock	21000
Creditors	5000	Debtors	8000
		Cash	1000
	65,000		65,000

The Assets are realized as follows :

1. Building Rs. 33,000, Machinery Rs. 6000, Furniture Rs. 2,500 Stock Rs. 22,500 and Debtors Rs. 6400.
2. Creditors were paid in full. The expenses of realization amounted to Rs. 400.
Prepare the necessary ledger accounts.

[P.T.O.]



21. P, Q and R are partners sharing profits and losses in the ratio of 5:3:2. The following is 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 realized the details of realization are as follows :

1st Instalment	Rs. 30,000
2nd Instalment	Rs. 73,000
3rd Instalment	Rs. 47,000

Prepare statement showing distribution of cash under surplus capital method.

22. Kumar of Koppal and Ganesh of Gangavati were in joint venture and decide to send 200 bags of rice to Basavaraj of Bellary to sell of rice on joint venture.

Kumar & Ganesh have agreed to share the profit equally.

Kumar sent 120 bags of rice valued Rs. 80,000 by incurring Rs. 5000 as expenses for freight & insurance. Ganesh sent 80 bags of rice at Rs. 60,000 by incurring expenses of Rs. 3000.

Basavaraj sold all the bags for Rs. 200,000. He is entitled for a commission at 5% on sales and he incurred Rs. 2000 as expenses. He has remitted the balance to kumar. The account between kumar and ganesh were settled.

Show the necessary ledger accounts in the books of kumar and ganesh by recording all the transactions of the venture.