

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

Financial Accounting - II

Paper - 2.3

(Old)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Neatness carries weightage.

SECTION - A

Answer any ten of the following:

(10×2=20)

1. Who is an Insolvent Partner?
2. What is Realization Account?
3. What is Minimum Rent?
4. What is sale to a company?
5. What is purchase consideration?
6. State the decisions in the Garner V/s Murray.
7. Give any two advantages of Departmental Accounts.
8. State the types of Branches.
9. What is Goods in Transit?
10. State Two objectives of Amalgamation.
11. Mention Two differences between 'Amalgamation' and 'Sale of a partnership'.
12. Give the Meaning of piece meal Distribution of Cash.

SECTION - B

Answer any Three of the following :

(3×5=15)

13. What do you mean by Branch? Explain different types of Branches.
14. State the basis of allocation of following expenses.
 - a) Carriage Inward
 - b) Supervisors Salary
 - c) Commission on sales
 - d) Rent of Building

15. From the following particulars Prepare Royalty payable chart
Minimum Rent Rs. 35,000.

Rent of Recoupment first three years Royalty Rs. 2.50 per ton.

Year	2006	2007	2008	2009
Output (ton)	10,000	15,000	18,000	22,000

(2)



16. From the following transactions prepare Branch Debtors Account.

Debtors 1.1.2017	25,000
Debtors 31.12.2017	35,700
Allowances to customer	750
Cash Received from Debtors	51,000
Returns from Debtors	620
Discount allowed to customers	2400
Bad debts	900

17. Following are the particulars of Two depts x & y prepare columnar Trading and profit loss A/C. Assuming that All Indirect expenses are allocation for two depart in the ratio of 2 : 1.

Particulars	x Dept	y Dept	Total
Opening stock	20,000	30,000	50,000
Purchases	40,000	60,000	1,00,000
Sales	1,00,000	1,20,000	2,20,000
Closing stock	20,000	40,000	60,000
Rent	-	-	12,000
Salary	-	-	6,000
Advertisement	-	-	18,000

SECTION - C

Answer any Three of the following :

(3×15=45)

18. P, Q and R Equal Partners. They decided to dissolve the firm on 31.12.2016 on that date their Balance Sheet was as follows.

Liabilities	Rs.	Assets	Rs.
Creditors	10,000	Cash at Bank	4,000
B/P	5,000	Other Assets	66,000
Capitals			
P	30,000		
Q	20,000		
R	5,000		
	<u>70,000</u>		<u>70,000</u>

The other Assets Realized Rs. only 35,000 and realization expenses Rs. 1000 R became insolvent unable to bring any thing. Show the Necessary ledger Accounts as per rule in Garner V/S Murray.

19. Desai brothers opened a Branch at Bidar on 1.1.2016. Goods are Invoiced to the Branch at cost +25%. All cash Received at the Branch was booked duly.

From the following particulars prepare Branch Account in the Books of Head office.

Stock on 1.1.2016 (Invoice price)	4,000
Debtors on 1.1.2016	48,000



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Petty cash on 1.1.2016	23221
Petty expenses	800
Total Sales	1,000
Stock on 31.12.2016 (Invoice price)	1,40,000
Debtors on 31.12.2016	76,000
Bad debts	80,000
Goods sent to Branch (Invoice price)	1,600
Goods Returned from Branch (I.P)	1,20,000
Br. Expenses paid by Head office	8,000
Rent	
Salary	6,000
Sundry expenses	6,400
Petty cash	2,400
	1,200

20. Harish, Patri and Jagadeesh are partners with 5:3:2 ratio respectively. On 31.3.2017 the firm was Dissolved and the Balance sheet was as under.

Balance Sheet			
Liabilities	Rs.	Assets	Rs.
Capitals		Debtors	1,26,000
Harish	70,000	Stock	50,000
Patri	54,000	Cash Balance	4,000
Jagadeesh	8,000		
Gen. Reserve	20,000		
Sundry creditors	28,000		
	<u>1,80,000</u>		<u>1,80,000</u>

The Realization of Assets and respective expenses were as under.

	Debtors	Stock	Expenses
2017			
April	12,000	6,400	400
May	60,000	25,000	3,000
June	40,000	17,000	2,000

Further it was agreed that Jagadeesh should take over remaining debt at Rs. 1,000. Prepare statement showing distribution of cash under surplus capital method.

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21. The Santhosh Mines Ltd took from Shahabad company a lease of Mine for a period of 25 years from 1.1.2014 on a Royalty of Rs. 5 per tonne of Minerals got with a Dead Rent of Rs. 20,000 and power to recoup short workings during the first five years of the lease. The annual output were as follows.

2014	2000	tonnes
2015	3000	tonnes
2016	4000	tonnes
2017	4500	tonnes
2018	5000	tonnes

Prepare Royalty A/c Short workings Land Lord A/c.

22. From the following particulars prepare the Departmental Trading and profit & loss A/c for the year ending 31.12.2014.

Particulars	Dept x	Dept y	Total
Opening stock	14,000	12,000	26,000
Purchases	75,100	69,800	1,44,900
Sales	1,00,000	80,000	1,80,000
Returns outwards	1,100	800	1,900
Salaries	9,000	8,500	17,500
General Salaries			11,600
Rent and Rates			6,000
Advertising			8,100
Insurance			1,000
Carriage outwards			5,400
Discount allowed			1,800
Discount earned			1,430
Accountancy charges			500
Carriage Inwards			2,860

Additional Information:

- a) Goods transferred from Dept 'X' to Dept 'Y' worth Rs. 5,000 were not recorded.
- b) Gen Salaries are to be allocated Equally.
- c) The Area occupied in the ratio of 3:2.
- d) Insurance Premium and Accountancy charges cannot be allocated conveniently to any Departments.
- e) Closing stock of Dept 'x' was Rs. 16,600 & that of Dept 'y' Rs. 16,800.

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