



**II Semester B.Com. Degree Examination,
September/October 2020**

COMMERCE

Paper 2.3 – Financial Accounting – II

(CBCS – New)

Time : 3 Hours

Max. Marks : 70

Instructions : Neatness carries weightage.

SECTION – A

I. Answer **any five** of the following : (5 × 2 = 10)

1. What is Dissolution of Firm?
2. State the methods of calculation of purchase consideration.
3. What are the accounts prepared when a separate set of books are maintained for joint venture transactions?
4. State the parties involved in patent Royalty.
5. Give the journal entry for writing off Goodwill in the books of New Firm.
6. What is piecemeal distribution of cash?
7. What is departmental accounts?

SECTION – B

II. Answer **any three** of the following : (3 × 5 = 15)

8. Write short note on :
- (a) Minimum rent
 - (b) Short workings
 - (c) Recoupment of short workings
 - (d) Minimum Rent in case of strike



37221

9. Distinguish between Realisation Account and Revaluation Account.
10. A, B and C are partners sharing profits and losses equally. From the following particulars prepare Realisation A/c.

Assets	Book value	Realised value
Machinery	12,500	11,000
Building	15,000	19,250
Stock	20,000	12,000
Debtors	9,000	7,500

Firm had creditors of Rs. 6,000 which were settled for Rs. 5,250.

11. Calculate the amount of purchase consideration from the following information :
- (a) A cash payment of Rs. 25,000
 - (b) Issue of 40,000 equity shares of Rs. 10 each fully paid at Rs. 15 per share
 - (c) Issue of 25,000 preference shares of Rs. 10 each
 - (d) Issue of 15,000 Debentures of Rs. 10 each at a discount at 10%.
12. On what basis the following expenses are allocated to Departments.
- (a) Carriage inwards
 - (b) Commission on sales
 - (c) Rent and Rates
 - (d) Audit fees
 - (e) Accountancy charges

SECTION - C

III. Answer **any three** of the following : (3 × 15 = 45)

13. The following is the Trial Balance of Gajana Departmental Stores.

Trial Balance as on 31.3.2016

Capital		3,15,000
Sales	Dept X	2,73,000
	Dept Y	2,10,000
Purchases	Dept X	1,50,000
		-

https://www.vskub.com

https://www.vskub.com

	Dept Y	93,000	-
Opening stock	Dept X	30,000	-
	Dept Y	18,000	-
Insurance		9,000	-
Salaries		18,000	-
Furniture		60,000	-
Rent and Rates		18,000	-
Printing and Stationary		3,000	-
Commission		-	18,000
Wages	Dept X	30,000	-
	Dept Y	12,000	-
Debtors and Creditors		84,000	72,000
Machinery		2,28,000	-
Cash in hand		60,000	-
Discount		60,000	15,000
Bad debts		12,000	-
Carriage outwards		18,000	-
		<u>9,03,000</u>	<u>9,03,000</u>

Depreciate machinery at 10% and Furniture @ 20%.

Apportion all the Revenue Items Equally between both the Departments. Stock on 31.3.2016 was Dept. X Rs. 60,000 and Dept 'Y' Rs. 45,000.

Prepare Departmental Trading and Profit and Loss Account for the year ending 31.3.2016 and also prepare the Balance Sheet.

14. The Balance Sheets of M/S A & B and M/S C & D as on 31.3.2018 where as Follows :

Liabilities	A & B	C & D	Assets	A & B	C & D
Capital	A 10,000		Buildings	10,000	12,000
	B 10,000		Machinery	7,000	8,000
	C -	10,000	Furniture	3,000	3,500
	D -	10,000	Debtors	6,000	8,000
Creditors	15,000	10,000	Stock	8,000	10,500
Loan	-	10,000	Cash at Bank	3,000	1,000
Outstanding expenses	2,000	3,000			
	<u>37,000</u>	<u>43,000</u>		<u>37,000</u>	<u>43,000</u>

https://www.vskub.com

https://www.vskub.com



The two firms decided to Amalgamate and form in M/S ABC and D with effect from 1.1.2019 and agreed to share the profits and losses equally in the New Firm. The terms of Amalgamation were as follows :

(a) They agreed to the revaluation of Assets and Liabilities.

Assets	A & B	C & D
Buildings	12,000	15,000
Machinery	7,000	7,500
Furniture	2,500	2,500
Debtors	4,500	7,000
Stock	7,000	12,000
Outstanding expenses	2,000	3,500

(b) The New Firm would not takeover the Loan of M/S C & D.

(c) The Goodwill of A & B and C & D were valued at Rs. 10,000 and Rs. 5,000 respectively but for the purpose of the New Firm the combined Goodwill of the Firm should be Rs. 12,000.

(d) Each partner should have Rs. 16,000 as capital in the New Firm and that cash should be brought in or paid off if necessary.

Prepare the necessary ledger accounts to close the books of the old firm and opening balance sheet of the New Firm.

15. X Y & Z carry on business in partnership sharing profits and losses in the Ratio of 4 : 3 : 1 respectively, on 31.3.2018 they agreed to sell their Business to Newly formed joint stock company, their position was as follows :

Liabilities	Amount	Assets	Amount
Capitals :		Buildings	18,000
X	20,000	Machinery	12,000
Y	15,000	Debtors	15,000
Z	13,000	Stock	13,000
Creditors	12,000	Cash	2,000
	<u>60,000</u>		<u>60,000</u>

The company took up the following assets at a valuation as follows :

Buildings Rs. 22,000, Machinery Rs. 10,000

Debtors 14,000, Stock 12,000, Goodwill 5,000

https://www.vskub.com

https://www.vskub.com

The purchase price of Buildings and Machinery was paid by the company in its shares and Debtors, stock and Goodwill were paid in cash.

The creditors were paid off by the Firm at a discount of 2½% and expenses of Realisation amounted to Rs. 100.

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

16. Miss. Priya developed new software on Mobiles. Samsung company entered in to Agreement on 1.1.2016 with Miss. Priya to acquire the patent right for manufacture and sale of New Mobile sets.

The terms of Agreement were as follows :

- (a) Lease period – 5 years
- (b) Minimum rent – 30,000 P.A.
- (c) Royalty – 20% on sales
- (d) Recoupment of short workings → Next two years only
- (e) Details of sales :

Year	Sales
2015	1,00,000
2016	1,40,000
2017	1,95,000
2018	2,05,000
2019	2,30,000

Prepare :

- (i) Royalty Account
- (ii) Miss Priya A/c
- (iii) Shortworkings A/c in the Books of Samsung Company Ltd.



37221

17. Mahesh and Rajesh entered into contract on Joint Venture and agreed to share the profits or losses in the ratio of 3 : 2.

Mahesh and Rajesh brought Rs. 90,000 and Rs. 60,000 respectively for the venture and same is deposited into Bank.

Goods were purchased from Naresh for Rs. 1,50,000 and paid Rs. 1,20,000 in cash and the balance in Bills payable.

Mahesh and Rajesh paid Rs. 6,000 for carriage and Rs. 3,000 for Insurance. All the goods were sold for Rs. 2,16,000, Bill was duly met.

Prepare :

- (a) Joint Venture A/c
 - (b) Joint Bank A/c
 - (c) Venturers A/c
-