

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai - 600 044.

B.Com. CS- END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - II

21UBCCT2003 - Financial Accounting-II

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Illustrate the main objectives of maintaining branch accounts.
2. X Ltd. of Mumbai has a branch in Delhi. From the following data, Prepare Branch stock account under stock and debtors system.
Goods sent from H.O Rs.50,000; Returns to H.O. Rs.1,000; Cash Sales Rs.35,500; Credit Sales Rs.8,000; Opening stock Rs.10,000; Closing stock Rs.11,000.
3. The following details are available for a company with three departments:
 - i) Sales: Department A = ₹1,50,000; Department B = ₹1,00,000; Department C = ₹50,000.
 - ii) Expenses: Rent = ₹24,000; Salaries = ₹36,000; Administrative Expenses = ₹18,000.Calculate the Allocation of expenses between the departments.
4. Z purchased a Computer on hire-purchase system. As per terms, he is required to pay Rs.800 down, Rs.400 at the end of the first year, Rs.300 at the end of the second year and Rs. 700 at the end of the third year. Interest is charged at 5% p.a. Compute the total cash price of the Computer and the amount of interest payable on each installment.
5. Sketch the important terms in the hire purchase system:
6. A and B are partners sharing profits in Ratio of 3:2. C is admitted for $1/5^{th}$ share which he acquires equally from both A and B. Compute the new ratio of partners.
7. A,B,C,D and E were partners in a firm sharing profit and losses in the ratio of 5:4:3:2:1 respectively. Unfortunately D and E met with an accident in which both of them died. The goodwill of the firm was valued at Rs.75,000 and A, B and C decided to share the future profits and losses in the ratio of 4:6:5 respectively. Give the Journal entry to record the above relating to goodwill.

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8. Determine the Dissolution of Partnership with Insolvency of One Partner settlement and pass journal entries of this transaction.
Partners A, B, and C share profits and losses in a 2:2:1 ratio. Upon dissolution, the firm's assets are sold for ₹90,000, and external liabilities amount to ₹50,000. Partner C is insolvent and cannot contribute towards the deficiency in capital. The capital balances are:
- A: ₹20,000
 - B: ₹15,000
 - C: ₹5,000 (deficit due to insolvency)

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. A company with its head office at Mumbai has a branch at Delhi. Goods are Invoiced to the branch at cost plus 33 % which is the selling price. The following information is given in respect of the branch for the year ended 31st March 2024.

	Rs.
Goods sent to Branch (Invoice Price)	4,80,000
Stock at Branch at Invoice Price (1.4.23)	24,000
Cash Sales	1,80,000
Returns from Customers	60,000
Branch Expenses paid for cash	53,500
Branch Debtors' balance (1.4.23)	30,000
Discount allowed	1,000
Bad Debts	1,500
Stock at Branch at Invoice Price (31.3.24)	48,000
Branch Debtors balance at 31.3.24	36,500
Collection from Debtors	2,70,000
Branch Debtor's cheque returned dishonoured	5,000

You are required to prepare the Branch Stock Account, Branch Debtors Account, Branch Adjustment Account & Branch Profit & Loss A/c to reveal net profit of the branch for the year 2023 - 2024.

10. From the following information, prepare departmental trading and Profit & Loss A/c in a columnar form of the three departments of Sharma Dry Cleaners Ltd.

	Dry cleaning (Rs.)	Darning (Rs.)	Dyeing (Rs.)
Stock on 1.1.24	4,00,000	3,40,000	9,40,000
Stock on 31.12.24	3,30,000	4,38,000	8,17,000
Purchases	19,59,000	6,97,000	13,73,000
Sales	40,00,000	20,00,000	40,00,000
Wages	7,28,000	3,00,000	2,46,000

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Goods were transferred from one department to another at cost price as follows:

- i. Daring to dry cleaning Rs.2,400 and Dyeing Rs.40,200.
- ii. Dyeing to dry cleaning Rs.25,800 and to darning Rs.18,000
- iii. Dry cleaning to darning Rs.3,000 and to dyeing Rs.24,000

Apportion equally: Stationary Rs.5,418; Postage Rs.4,050; General Expenses Rs.2,37,618; Insurance Rs.10,080; Depreciation Rs.32,598. Rent & Taxes Rs.1,80,000 is to be split in proportion to space occupied, i.e., dry cleaning 44, Darning 2, Dyeing 2 and other space 2.

11. A purchased a machine under hire purchase system. According to the terms of the agreement Rs.40,000 was to be paid on signing of the contract. The balance was to be paid in four annual installments of Rs.25,000 each plus interest. The cash price was Rs.1,40,000. Interest is chargeable on outstanding balance at 20% per annum. Determine the interest for each year and the installment amount.
12. The Balance sheet of A,Band C who were sharing profit in proportion to their capital stood as follows on December 31, 2024.

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	2,400	Cash at Bank	5,500
General Reserve	4,500	Sundry Debtors	5,000
Capital A/c's		Stock	18,000
A	20,000	Machinery	23,400
B	15,000		
C	10,000		
	51,900		51,900

B retired on the above mentioned date on the following terms:

1. A provision for doubtful debts be made @ 5% of sundry debtors.
2. Machinery will be depreciated by Rs.650.
3. Goodwill of the entire firm be fixed at Rs.10,800 and without raising a goodwill account B's share of it be adjusted into the accounts of A and C who are going to share future profits in the ratio of 5:3 respectively.
4. Capital of the new firm is fixed at Rs.48,000: A and C to bring in cash to make their capital proportionate to their profit sharing ratio.
5. Amount due to B be paid in cash.

Journalise the above mentioned transaction, Prepare capital accounts and the initial balance sheet of the new firm.

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13. R and S are equal partners. They decide to dissolve the partnership on 31.12.2023, when their Balance sheet stood as follows:

Liabilities	Rs.	Assets	Rs.
Capital A/c's		Machinery	19,200
A	48,000	Buildings	60,000
B	48,000	Stock	6,960
Creditors	2,400	Debtors	5,760
		Banks	6,480
	98,400		98,400

1. R is to take over the business and pay Rs.12,000 for goodwill which had not been previously valued. He is also to take over the buildings and stock at book value and Machinery at Rs.18,000.
2. During the period up to 31.5.2024, R collects Rs.4,800 from the firm's debtors and pays the liabilities, getting Rs.240 as cash discount.
3. R also pays dissolution expenses amounting to Rs.480.

Evaluate the Realisation A/c, Partner's Capital A/c's and Bank A/c assuming that settlement was made on 31.5.2024.
