

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.Honours - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - II

23UBHCT2005 - Financial Accounting - II

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. X purchased a type writer 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. Calculate the total cash price of the typewriter and the amount of interest payable on each instalment.
2. A and B were sharing profits in the ratio of 2:1. C was admitted on 1st January with $\frac{1}{6}$ share in the profits. Calculate the new profit sharing ratio and sacrificing ratio.
3. A,B and C were equal partners, On 31-12-2023 their position was as follows:

	Rs.		Rs.
A's Capital	2,000	Cash	1,500
B's Capital	600	C's Capital	200
		Loss on realization	900
	2,600		2,600

C is insolvent and can pay nothing. Close the books of firm.

4. Explain the Objectives and Uses of Financial Statements for Users.
5. The Calcutta trading and Co, opened a branch at Bangalore on 1st April 2022. From the following particulars, prepare Bangalore Branch account in HO books.

Goods sent to Bangalore Branch	40,000
Cheque Sent to Branch for:	
Rent	4,000
Salaries	5,000
Other Expenses	2,000
Cash Received from Branch	60,000
Stock on 31 st March 2023	8,000
Petty Cash on hand 31 st March 2023	150

Contd...

6. A,B,& C are partners in a firm, sharing profits and losses in the ratio of 3:2:5. C retires and on that date the firm's goodwill is valued at Rs.80,000. Pass necessary journal entries to adjust goodwill at the time of retirement.
7. A,B,C share profits in proportion of $\frac{1}{2}$, $\frac{1}{3}$,and $\frac{1}{6}$, Their Balance Sheet is as follows:

Liabilities	Rs.	Assets	Rs.
A's Capital	60,000	Assets (Less Liabilities)	1,60,000
B's Capital	60,000		
C's Capital	40,000		
	1,60,000		1,60,000

The partnership is dissolved and the assets are realised as follows:

First realization Rs.20,000, Second

realization Rs.30,000, Third and final realization Rs.50,000.

Prepare a statement showing how the distribution should be made.

8. Justify the Role of IFRS in global financial reporting and its relevance for Indian companies.

Section C

I - Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Ramu took a lease of mine for a period of 20 years. Royalty payable is Re.1 per tonne subject to a minimum rent of Rs.12,000 per annum. The short workings are recoupable during the first three years of the lease. The output was 1990 – Nil; 1991 – 4,000 tonnes; 1992 – 20,000 tonnes; 1993 – 40,000 tonnes. Prepare minimum rent account, short working account and Land lord's account in the books of Ramu.
10. A firm had two departments, cloth and readymade garments. The garments were made by the firm itself out of cloth supplied by the cloth department at its usual selling price. From the following figures, prepare departmental trading and profit and loss account for the year ended 31-3-2019.

	Cloth dept (Rs.)	Readymade Dept (Rs.)
Opening stock 1-4-2018	3,00,000	50,000
Purchases	20,00,000	15,000
Sales	22,00,000	4,50,000
Transfer to readymade garments dept	3,00,000	-
Expenses – Manufacturing	-	60,000
- Selling	20,000	6,000
Stock 31-3-2019	2,00,000	60,000

Contd...

The stock in the readymade garments department may be considered as consisting of 75% cloth and 25% other expenses. The cloth department earned gross profit @ 15% in 2017-18. General expenses of the business as a whole came to Rs.1,10,000.

11. Sunil, Devan and Ravi are equal partners in a firm and their balance sheet as on 31.12.2012 is given below.

Liabilities	Rs.	Assets	Rs.
Creditors	40,500	Machinery	43,500
Reserve	4,500	Furniture	1,500
Capital accounts:		Debtors	30,000
Sunil	15,000	Stock	15,000
Devan	12,000		
Ravi	18,000		
	90,000		90,000

Ravi retired on 31.12.2012 and assets were revalued as under: Machinery Rs.51,000; Furniture Rs.1,200; Debtors Rs.28,500; Stock Rs.14,700. Goodwill of the firm is valued at Rs.9,000 and Ravi's share of goodwill is to be adjusted to continuing partner's capital without raising goodwill account. Prepare necessary ledger accounts and new balance sheet.

12. The following is the Balance Sheet of X,Y and Z as at 30-12-2023.

Liabilities	Rs.	Assets	Rs.
Capitals		Plant & Machinery	50,000
X	75,000	Land & Building	1,00,000
Y	22,500	Stock	20,000
Z	67,500	Debtors	70,000
Y's Loan	13,000		
Creditors	62,000		
	2,40,000		2,40,000

On the above date, they decided to dissolve the firm and to repay the amount due to partners as and when the assets were realised viz.

	Rs.
I Realisation	45,000
II Realisation	1,09,500
III Realisation	70,500

Prepare the statement showing how the distribution should be made.

Contd...

II - Compulsory question (1 × 10 = 10 Marks)

13. Evaluate the implementation plan of IFRS adoption in India
