

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. CA - END SEMESTER EXAMINATIONS - NOVEMBER 2025

SEMESTER - II

23UCCCT2002 - Financial Accounting -II

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. A machine is purchased under Hire Purchase agreement:
Cash Price - ₹60,000; Down Payment - ₹20,000
Balance payable in 2 annual instalments of ₹25,000 each, which include interest at 10% p.a. Calculate the interest included in each instalment and show the working.
2. X and Y are partners sharing profits in the ratio of 3 : 2. They admit Z into partnership, Z paying a premium of Rs.2,000 for $1/4^{th}$ share of profit. The new ratio is 3 : 3 : 2. Goodwill account appears in the books at Rs.2,000. Journalise.
3. Head Office invoices goods to its branch at cost. The following details relate to Chennai Branch for the year ending 31st March 2025:
Opening stock at branch (cost) - ₹10,000
Goods sent to branch (cost) - ₹50,000
Cash sales - ₹30,000
Credit sales - ₹20,000
Cash collected from debtor - ₹18,000
Expenses paid by H.O. - ₹5,000
Closing stock at branch (cost) - ₹12,000
Prepare Branch Account in the books of Head Office using the Debtor System.
4. A, B, and C share profits 4:3:2. They admit D with $1/5^{th}$ share, which he acquires equally from A and B. Calculate the new profit-sharing ratio.
5. A, B, and C share profits 3:2:1. On dissolution, assets realized ₹50,000, creditors ₹30,000, expenses ₹2,000. C is insolvent, and his deficiency is borne by other partner as per Garner vs. Murray. Show accounts
6. A firm dissolve with following capitals: A ₹30,000; B ₹20,000; C ₹10,000. Loss on realization is ₹30,000. Show settlement of accounts using Surplus Capital Method.

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7. Draft a reconciliation showing differences between Ind AS and IFRS in the treatment of fixed assets.
8. ABC Ltd. prepares accounts under IFRS. Identify how revenue recognition will differ compared to Indian GAAP.

Section C

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

9. Head Office invoiced goods to its branch at cost plus 25%. The following details relate to Bangalore Branch for the year 2024–25:

Opening stock at branch (invoice price)	- ₹25,000
Goods sent to branch (invoice price)	- ₹1,00,000
Goods returned by branch to H.O. (invoice price)	- ₹5,000
Cash sales	- ₹60,000
Credit sales	- ₹50,000
Cash received from debtor	- ₹40,000
Goods returned by customer	- ₹2,000 (invoice price)
Discount allowed to debtor	- ₹1,000
Bad debts written off	- ₹500
Expenses paid by H.O.	- ₹10,000
Closing stock at branch (invoice price)	- ₹20,000

Prepare the following under Stock and Debtor System:

- a) Branch Stock Account
 - b) Branch Debtor Account
 - c) Branch Adjustment Account
 - d) Branch P&L Account
10. A and B are partner sharing profits in the ratio 3:2. Their Balance Sheet as on 31st March 2024 is:

Liabilities	₹	Assets	₹
Creditor	30,000	Cash	10,000
Reserve Fund	10,000	Debtor	30,000
Capitals: A – 50,000, B – 40,000	90,000	Stock	20,000
		Plant & Machinery	40,000
		Building	30,000
Total Liabilities	1,30,000	Total Assets	1,30,000

Adjustments:

- a) C is admitted as a partner bringing ₹30,000 as capital and ₹15,000 as goodwill in cash.
- b) Goodwill is not retained in the books.

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- c) Reserve Fund is transferred to old partner's capital accounts.
- d) Plant & Machinery is depreciated by 10%.
- e) Building is appreciated by 20%.
- f) Provision for doubtful debts at 5% on Debtor. Capitals of all partner to be adjusted according to new profit-sharing ratio 2:2:1, adjustments to be made by cash.

11. Mohan purchased on 1st 2020, a machine on hire purchase system. The cash was ₹.20,000. Payment was to be made as to ₹.5,000 down and ₹.4,000 annually five years. The machine was depreciated @ 15% p.a. on the diminishing value. Third annual instalment could not be paid and the vendor seized the machinery. Record the above transactions in the books of Mohan assuming accounts are closed on 31st Dec.

12. M, N and P are partner sharing profits and losses as to 2:2:1. Their balance sheet as @ 30.09.2023 was as follows.

Liabilities	₹.	Assets	₹.
Sundry Creditor	4,000	Bank	5,000
Capitals accounts:		Debtor	4,000
M 20,000		Stock	15,000
N 10,000		Furniture	2,000
P 7,000	37,000	Machinery	15,000
	41,000		41,000

They decided to dissolve the firm on 01.10.2023.

- a) The assets realised as follows: Machinery ₹.16,100; Stock ₹.14,000; Debtor ₹.3,000
- b) Creditor were paid after obtaining a discount of 5%.
- c) 'M' agreed to bear all the realisation expenses for which he was remunerated ₹.1,200. Actual expenses amounted to ₹.2,000 which was withdrawn by him from the firm.
- d) There was a unrecorded asset of ₹.500 which was taken over by 'N' for ₹.400.

13. Define accounting standards and explain their role in ensuring transparency, comparability, and reliability of financial reporting.
