QP CODE: 25022862

25022862

Reg No : .....

Name : .....

B.COM DEGREE (CBCS) IMPROVEMENT / REAPPEARANCE/ MERCY CHANCE EXAMINATIONS, MARCH 2025

Second Semester

Core Course - CO2CRT04 - FINANCIAL ACCOUNTING II

(Common to all B.Com Degree Programmes)

For Regular Candidates: 2017 Admission Onwards For Private Candidates : 2021 Admission Only

F4F61DE4

Time: 3 Hours Max. Marks : 80

Instructions to Private candidates only: This question paper contains two sections. Answer SECTION I questions in the answer-book provided. SECTION II, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under SECTION II

Part A

*Answer any **ten** questions.*

Each question carries 2 marks.

1. Define Hire Purchase Agreement.
2. Mention any two difference between hire purchase transaction and sale.
3. What is Asset Accrual Method?
4. Define a Branch.
5. What is inter-branch transactions?
6. What is departmental accounting?
7. How would you allocate Insurance Premium and Establishment Expenses among different departments of Departmental Organisation?
8. What do you mean by dissolution of a firm?
9. Mention any four circumstances under which a partnership firm is dissolved.
10. What is Garner Vs Murray decision?
11. Explain maximum possible loss method
12. What is AS 1?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Megha purchased a Honda Activa Scooter from Purackal Motors under hire purchase system on 1.1.2015. The cash price of the scooter was Rs. 56,000. Rs. 15,000 was paid on signing the agreement and the balance in three equal instalments of Rs. 15,000 each. The rate of interest was 5% p.a. Calculate the amount of interest included in each instalment.

14. Explain the accounting records in the books of hire vendor under Credit Purchase Method?

15. India Traders, Mumbai opened a branch at Baroda on 1st January 2016. Following information is available in respect of the branch for the year 2016:

Goods sent to Branch	65,000
Cash remitted to branch towards petty cash	6,000
Cash sales at the branch	50,000
Petty cash at branch on 31-12-2016	500
Credit sales at the branch	60,000
Debtors at branch on 31-12-2016	5000
Salaries of the branch staff paid by head office	15,000
Stock at branch on 31-12-2016	27,000
Office expenses of the branchpaid by the head office	12,000
Cash received from debtors	55,000
Goods in transit	10,000

Prepare branch account to show the profit /loss from the branch for the year, 2016

16. What are transit items. Explain briefly

17. Differentiate between branch account and departmental accounts.

18. A firm has two Departments Department A and Department B. Prepare Departmental trading and profit and loss account for the year 2017.

Particulars	Dept A	Dept B
Opening Stock	35,000	11,000
Purchases	2,30,000	8,000
Sales	2,55,000	80,000
Transfer to Dept B	55,000	
Production Expenses		9,500
Selling expenses	10,000	
Closing Stock	42,500	12,500

General expenses of the business as a whole came to Rs.27,500.The stock in Department B include 80% of goods transferred from Dept A. Department A made a gross profit of 25% in 2016.

19. A, B and C are partners sharing profits and losses in the ratio of 3:3:2. Below is their Balance Sheet as on 31/12/2018 when they decided to dissolve the firm.

Liabilities	Amount	Assets	Amount
Sundry Creditors	47,500	Stock	69,000
Capital accounts:		Sundry Debtors	70,000
A	75,000	Bank	55,000
B	75,000	Investments	6,000
C	1,00,000	Land and Buildings	1,25,000
Current a/c:		Goodwill	25,000
A	15,000		
B	25,000		
C	12,500		
	3,50,000		3,50,000

A reports the result of realization as follows:

	Rs.
Stock	75,500
Sundry Debtors	60,000
Investments	5,500
Land and Buildings	90,000
Goodwill	Nil

A agreed to bear all realization expenses. For this service, A was to get a remuneration of Rs. 2,000. Actual realization expenses came to Rs. 1,800 which he met personally.

Prepare Realisation Account.

20. X, Y, and Z are partners sharing profits and losses equally. . Below is their Balance Sheet as on 31/12/2018 when they decided to dissolve the firm.

Liabilities	Amount	Assets	Amount
Sundry Creditors	10,000		
Capital accounts:		Sundry Assets	60,000
X	29,000	Cash at Bank	4,000
Y	20,000	Profit and loss account	6,000
Z	11,000		
	70,000		70,000

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

First Realisation Rs.6,000; Second Realisation Rs.9,000; Third realization Rs. 15,000;

Fourth Realisation Rs. 18,000.

Prepare a statement showing how the distribution should be made by following Maximum Loss Method.

21. What are the functions of ASB?

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. On 1st January 2013 Jasmine Traders purchased two Photocopying Machine from Rolta India Ltd. under Hire Purchase System. The cash price of one Machine was Rs. 1,00,000. Jasmine Traders paid Rs. 80,000 on signing the agreement and the balance was agreed to be paid in 3 equal yearly instalments of Rs. 40,000 together with interest at 30% per annum. Jasmine Traders could not pay the last instalment and as a result, one machine was repossessed for Rs. 28,000 by adjusting its value against the amount due. The hire purchaser depreciated the machine @ 20% on Fixed Instalment System.

Prepare important ledger accounts in the books of Jasmine Traders.

23. A head office at Kottayam sends goods to its Calicut branch at selling price which is cost plus 50%. The following relate to the branch for the particular year.

Stock at branch on opening date (invoice price)	90,000
Debtors at branch on opening date	40,000
Fixed asset at branch on opening date	50,000
Goods sent to branch (cost price)	2,00,000
Returns by branch to head office (invoice price)	12,000
Transfer from Kothamangalam branch (invoice price)	9,000
Transfer to Palai branch(invoice price)	6,000
Remittance to branch for expenses	28,000
Total sales	3,15,000
Credit sales	2,10,000
Receipt from debtors in cash	1,90,000
Discount allowed	13,000
Bad debts written off	4,000
Bills received from debtors	10,000
Depreciation on fixed assets	7,500
Branch expenses outstanding on closing date	7,000
Retuns by branch debtors to branch (invoice price)	3,000
Surplus found in stock (invoice price)	3,000

You are required to prepare accounts under Stock and Debtors System.

24. From the following balances prepare Departmental Trading and Profit and Loss Account for the year ended 2018.

Opening Stock:		Salaries:	
Dept X	50,000	Dept X	60,000
Dept Y	65,000	Dept Y	50,000
Purchases:		Insurance:	
Dept X	3,90,000	Dept X	15,000
Dept Y	8,50,000	Dept Y	12,000
Sales:		Miscellaneous Expenses	55,000
Dept X	7,75,000		
Dept Y	11,50,000		

Additional Information:

1. Closing stock of Department X is Rs.50,000 including goods from Dept B Rs.8,000 at cost to Dept A and closing Stock of Dept Y is Rs.40,000 including goods from Dept X Rs.15,000 at its usual selling price.
2. Opening stock of Dept X and Dept Y includes goods of the value Rs.10,000 and Rs.8,000 taken from Dept Y and Dept X respectively at cost to transferer Departments.

During the year Dept X transferred goods to Department Yof the value of Rs.1,85,000 and Dept Y transferred goods to Dept X of the value of Rs.2,75,000 both at usual selling price to transferer departments.

25. A, B, C and D are partners sharing profits and losses equally. Below is their Balance Sheet as on 31/12/2017 when they decided to dissolve the firm.

Liabilities	Amount	Assets	Amount
Sundry Creditors	45,000	Sundry Assets	63,000
Bills Payable	5,000	Cash at bank	2,000
B's Loan	3,000	Profit and Loss Account	16,000
Capital accounts:		Drawings	
A	23,000	B	3,000
B	6,000	C	3,000
C	4,000	D	3,000
D	4,000		
	90,000		90,000

The assets realized Rs. 56,000. Expenses on realization amounted to Rs 1,000. The position of the partners on the date of dissolution was as follows.

Private Estate Private Liabilities

A	20,000	23,000
B	16,000	10,000
C	14,000	12,000
D	8,000	9,000

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

(2×15=30)