Vidya Vikas Mandal's

**Shree Damodar College of Commerce & Economics, Margao**

**F.Y.B.Com, Semester End Examination, Semester II, April 2015**

# FINANCIAL ACCOUNTING (OLD COURSE)

**Duration: 2 Hours** **Total Marks: 80**

*Instructions:*

i. ***Attempt any FOUR questions***

ii. *Figures to the **right** indicate **maximum** marks to the question.*

Q1. From the following particulars prepare Departmental Trading and Profit & Loss A/c of the two departments – X and Y for the year ended 31st March 2014. Also prepare General Profit & Loss A/c **20**

| | X (Rs.) | Y (Rs.) |
|---|---|---|
| Opening Stock | 1,70,000 | 80,000 |
| Purchases | 8,80,000 | 6,20,000 |
| Salaries | 80,000 | 70,000 |
| Sales | 12,00,000 | 8,00,000 |
| Purchase Returns | 10,000 | 5,000 |

| | Rs. |
|---|---|
| Carriage Inwards | 30,000 |
| Discount Received | 15,000 |
| General Expenses | 1,00,000 |
| Rent & Rates | 50,000 |
| Advertising | 1,00,000 |
| Insurance | 10,000 |
| Discount Allowed | 15,000 |
| Selling Expenses | 5,000 |
| Legal Expenses | 2,000 |

Additional Information :

1) General Expenses to be apportioned equally.
2) Goods transferred from Dept.X to Dept.Y Rs.30,000.
3) Area occupied is Dept.X – 3/5 and Dept.Y – 2/5.
4) Insurance cannot be conveniently apportioned between the two Departments.
5) Closing Stock of the two Depts. was X – Rs.2,00,000 and Y – Rs.1,50,000.

Q2. Prayas Ltd. issued 10,000 Equity shares of Rs. 100 each payable as follows : **20**

| | |
|---|---|
| On Application | – Rs.20 |
| On Allotment | - Rs.50 |
| On First Call | - Rs.25 |
| On Final Call | - Rs. 5 |

Applications were received for 12,000 shares. The Directors rejected applications for 600 shares and allotted shares on pro-rata basis to the remaining applicants. Excess Application money was adjusted towards Allotment money.

All moneys were duly received except the following:

1) Mr. A holding 200 shares did not pay both the Calls.
2) Mr. B holding 100 shares did not pay the final call money.

Pass journal entries in the books of the Company.

Q3. A, B and C were partners sharing profits and losses as 3:4:5. They dissolved their partnership on 30th June 2014 when their Balance Sheet was as follows: **20**

| Liabilities | | Rs. | Assets | Rs. |
|---|---|---|---|---|
| Creditors | | 10,000 | Sundry Assets | 36,000 |
| B's Loan | | 2,000 | | |
| Capitals : | A | 12,000 | | |
| | B | 8,000 | | |
| | C | 4,000 | | |
| | | 36,000 | | 36,000 |

The Assets realized gradually as follows:

| | |
|---|---|
| July 2014 | Rs.15,000 |
| August 2014 | Rs. 7,000 |
| September 2014 | Rs.11,000 |

Prepare a Statement showing Piecemeal Distribution of cash under Excess Capital Method.

Q4. Sagar Ltd. has a Branch in Surat. Goods are invoiced by the Head Office to the Branch at 25% on Cost. All cash is remitted by the Branch to Head Office and all expenses are paid by the Head Office except petty expenses which are paid by the Branch. From the following information prepare Surat Branch A/c in the books of Head Office under Debtors System. **20**

| | | Rs. |
|---|---|---|
| Stock on 1-1-2014 (Invoice Price) | | 15,000 |
| Debtors on 1-1-2014 | | 9,000 |
| Petty Cash on 1-1-2014 | | 400 |
| Furniture on 1-1-2014 | | 1,200 |
| Goods sent to Branch (at Invoice Price) | | 80,000 |
| Goods returned to Head Office (Invoice Price) | | 1,000 |
| Goods returned by customers | | 480 |
| Cash received from Debtors | | 30,000 |
| Cash Sales | | 50,000 |
| Credit Sales | | 30,000 |
| Discount allowed to Debtors | | 30 |
| Expenses paid by Head Office : | Rent | 1,200 |
| | Salaries | 2,400 |
| | Stationery | 300 |
| Petty Expense paid by Branch | | 280 |
| Depreciation to be charged on Furniture at 10%p.a. | | |
| Stock on 31-12-2014 (Invoice Price) | | 14,000 |

Q5. K, L and M were partners sharing profits in the ratio of 4:3:1. On 31st March 2014 they decided to dissolve their partnership when their Balance Sheet was as follows: **20**

| Liabilities | | Rs | Assets | Rs. |
|---|---|---|---|---|
| Creditors | | 26,250 | Building | 50,000 |
| Bank Overdraft | | 8,750 | Machinery | 55,000 |
| Capitals: | K | 70,000 | Stock | 20,000 |
| | L | 30,000 | Debtors | 60,000 |
| | M | 50,000 | | |
| | | 1,85,000 | | 1,85,000 |

Bank Overdraft is secured against Stock.

The Assets realized gradually as follows:

| | | |
|---|---|---|
| May 2014 | Debtors | Rs.20,000 |
| June 2014 | Stock | Rs.15,000 |
| July 2014 | Debtors | Rs.25,00 |
| August 2014 | Machinery | Rs.40,000 |
| September 2014 | Building | Rs.65,000 (final) |

Prepare the Statement showing Piecemeal Distribution of Cash under Maximum Loss Method.

Q6. Write short notes on any FOUR of the following: **20**

a) Equity Shares & Preference Shares
b) Departmental Accounts
c) Dissolution of Partnership Firm
d) Types of Branches
e) Calls-in-arrears
f) Garner vs Murray Principle

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