

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
F.Y.B.Com, Semester II, MAY/JUNE SUPPLEMENTARY EXAMINATION 2017
FINANCIAL ACCOUNTING

Duration: 02 hrs

Marks: 80

Instructions :i) Question No. 1 is compulsory.

ii) Attempt any THREE questions from Q.2 to Q6.

1. A, B and C were partners with a profit-sharing ratio of 2:1:1. Their Balance Sheet on 31st December 2015 was as follows when they decided to dissolve their firm: 20

Liabilities	Rs.	Assets	Rs.
Capitals: A	40,000	Motor Car	25,000
B	40,000	Furniture	36,000
C	30,000	Debtors	60,000
Bank Loan (Pledged against Stock)	30,000	Stock	41,000
Loan from B	11,000	Cash	8,000
Income Tax payable	4,000		
Creditors	15,000		
	1,70,000		1,70,000

Adjustments:

- Bank could realize only Rs.25,000 on disposal of Stock.
- Following were the realizations : January 2016 - Rs.12,000, February 2016 - Rs. 15,000, March 2016 - Rs.10,000, April 2016 – Rs.30,000, May 2016 - Rs.35,000.
- There was a contingent liability for Bill discounted for Rs.5,000 due on 5th May 2016. The Bill was dishonoured on the due date.

Show the Piecemeal distribution of Cash under Proportional Capital Method.

2. Following are the balances extracted from the books of Ranjan Ltd. for the year ended 31st December 2016 having three Departments– A, B and C: 20

	Rs.
Purchases - A	60,000
B	40,000
C	20,000
Sales - A	90,000
- B	67,500
- C	45,000
Opening Stock - A	19,000
B	12,000
C	10,000

Closing Stock - A	22,900
B	8,600
C	11,000
Salaries	36,000
Carriage Inward	6,000
Rent	9,000
Discount Received	1,200
Discount Allowed	2,700
Advertising	4,500
Sundry Expenses	6,000

Prepare Departmental Trading & Profit and Loss A/c for the year considering the following adjustments:

- a) Allocate the expenses as follows:
 - i) Rent – 4:4:1 among Departments A, B and C.
 - ii) Salaries and Discount allowed – in the ratio of Sales
 - iii) Sundry Expenses – Equally
 - iv) Discount Received – in the ratio of Purchases
- b) During the year goods costing Rs.10,200 and Rs.800 were transferred from Departments A and B to Dept C.

3. Enter the following transactions in the Stores Ledger under FIFO method; 20
 2017 Jan. 1 Balance 250 units @ Rs.10 per unit

- „ 3 Issued 50 units as per M.R. No. 61
- „ 6 Received 800 units vide G.R. No.13 @ Rs.11 per unit
- „ 7 Issued 300 units as per M.R. No. 63
- „ 8 Returned to Stores 20 units issued on M.R. No.61
- „ 12 Received 300 units as per G.R. No. 15 @ Rs.12 per unit
- „ 15 Issued 320 units as per M.R. No. 83
- „ 18 Received 100 units vide G.R. No. 77 @ Rs.15 per unit
- „ 20 Issued 120 units as per M.R. No.102
- „ 23 Returned to vendors 40 units from G.R. No. 77
- „ 26 Received 200 units vide G.R. No. 96 @ Rs. 10 per unit
- „ 28 Issued 300 units on M.R. No. 113
- „ 31 Stock-taking revealed a shortage of 10 units.

4. A fire occurred in the godown of a factory on 15th October 2016. From the following information ascertain the loss of stock and the amount of insurance claim: 20

	Rs.
Stock on 1-1-2015	30,600
Purchases for the year ended 31-12-2015	1,22,000
Sales for the year ended 31-12-2015	1,80,000
Stock on 31-12-2015	27,000
Purchases from 1-1-2016 to 14-10-2016	1,47,000
Sales from 1-1-2016 to 14-10-2016	1,50,000

The stocks were always valued at 90% of cost. The stock salvaged from fire was worth Rs.18,000. The amount of Policy was Rs. 63,000. There was an average clause in the policy.

5. From the following particulars relating to Goa Branch for the year ended 31st December 2016, prepare Branch Stock A/c, Branch Debtors A/c, Branch Expenses A/c, Branch Adjustment A/c and Branch Profit and Loss A/c in the books of Delhi Head Office: 20

The Branch remits all cash collected to the Head Office and all Branch expenses are paid by the Head Office. The goods sent to Branch are invoiced at selling price which is 25% above cost.

	Rs.
Branch Stock on 1-1-2016 (at invoice price)	72,000
Branch Debtors on 1-1-2016	51,500
Goods sent to Branch (at invoice price)	6,49,200
Goods returned by Branch to Head Office (invoice price)	12,840
Cash received from Debtors	4,20,000
Discount allowed to Debtors	11,500
Branch expenses paid by Head Office:	
Salaries & Wages	25,000
Printing & Stationery	18,000
Insurance	17,000
Credit Sales	4,00,000
Cash Sales	2,00,000
Branch Stock on 31-12-2016 (Invoice Price)	1,08,360

6. Write short notes on **any FOUR** : 20

- a) Preferential Liabilities
 - b) Allocation of common expenses to Departments
 - c) Merits & Demerits of FIFO method of pricing issues
 - d) Contingent Liabilities
 - e) Stock & Debtors System
 - f) Average Clause in Fire Insurance Policy
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