

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao Goa
F.Y.B.Com - Semester II, May/June Supplementary Examination 2018

Sub: Financial Accounting -II (Old Course)

Duration: 2 HOURS

Max. Marks: 80

Instructions: 1. Question No. 1 is **compulsory**.

2. Attempt any **three** questions from Q. No. 2 to Q. No. 6

3. Figures to the right indicate marks allotted to the question.

4. Give working notes where required.

Q1. The following purchases and issues have been extracted from the books of Chambal Fertilizers Ltd.

1-8-2017 - Opening balance 400 units @ Rs. 4.50

Receipts:

4-8-2017 - 600 units @ 9.50

15-8-2017 - 500 units @ 7.50

23-8-2017 - 700 units @ 6.50

30-8-2017 – Refund of surplus of 20 units from those issued on 18- 8-2017.

Issues:

10- 8-2017 – 500 units

18-8-2017 – 600 units

31- 8-2017 – 400 units

Prepare Stores Ledger under FIFO Method and Weighted Average Method for the month of August 2017. **[20 Marks]**

Q.2. P, Q and R were partners with profit sharing ratio of 2:1:1. Their Balance sheet as on 31-12-2017 is as follows on which date they decided to dissolve their partnership firm:

<u>Liabilities</u>	<u>Amount(Rs.)</u>	<u>Assets</u>	<u>Amount(Rs.)</u>
Capitals :		Cash	16,000
P 80,000		Debtors	1,20,000
Q 80,000		Stock	82,000
R <u>60,000</u>	2,20,000	Furniture	72,000
Loan from B	22,000	Motor Car	<u>50,000</u>
Bank Loan (secured against stock)	60,000		
Creditors	30,000		
Bank Overdraft	<u>8,000</u>		
	3,40,000		3,40,000

Additional Information:

- a. Bank could recover only Rs. 50,000 on disposal of stock.
- b. There was a contingent liability for bills discounted for Rs. 10,000 due on 10th May 2018. The bill was dishonoured on the due date.
- c. The asset realized as follows: January 2018- Rs. 24,000, February 2018- 30,000, March 2018- Rs. 20,000 and April 2018 – Rs. 60,000

Show the Piecemeal distribution of cash under Proportionate Capital Method [20 Marks]

Q 3. A fire occurred in the factory of Alpine Ltd. on 16th November 2017. From the following information ascertain the loss of stock and amount of insurance claim: [20 Marks]

<u>Particulars</u>	<u>Rs.</u>
Stock on 1-1-2016	61,200
Purchases for the year ended 31-12-2016	2,44,000
Sales for the year ended 31-12-2016	3,60,000
Stock on 31-12-2016	54,000
Purchases from 1-1-2017 to 16-11-2017	2,94,000
Sales from 1-1-2017 to 16-11-2017	3,00,000

The company has a policy to value the stock at 90% of cost. The stock salvaged from fire was Rs. 36,000. The amount of policy was Rs. 1,26,000. There was an average clause in the policy.

Q4 The following are the balances extracted from the books of Rallis Ltd. for the year ended 31-12-2017 having three departments namely A, B and C: [20 Marks]

Particulars	Amount(Rs.)
Purchases- A	1,20,000
B	80,000
C	40,000
Sales- A	1,80,000
B	1,35,000
C	90,000
Opening Stock- A	38,000
B	24,000
C	20,000
Closing Stock- A	45,800
B	17,200
C	22,000
Salaries	72,000
Carriage Inward	12,000
Rent	18,000

Discount Received	2,400
Discount Allowed	3,400
Advertisement	9,000
Sundry Expenses	12,000

Prepare Department Trading, Profit and Loss Account for the year after taking into account the following:

- Rent was allocated in departments A,B and C in the ratio of 4:4:1
- Salaries and discount allowed were allocated in the ratio of sales.
- Sundry expenses were allocated equally.
- Discount received was allocated in the ratio of purchases.
- During the year, goods costing Rs. 20,400 and Rs. 1,600 were transferred from department A and B to department C.

Q. 5. From the following information relating to Margao Branch for the year ended 31-12-2017, 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 Panjim Head Office.

[20 Marks]

<u>Particulars</u>	<u>Rs.</u>
Branch Stock on 1-1-2017 (at invoice price)	1,40,000
Branch Debtors on 1-1-2017	1,03,000
Goods sent to Branch (at invoice price)	12,98,400
Goods returned by Branch to Head Office (invoice price)	25,680
Cash received from Debtors	8,40,000
Discount allowed to Debtors	23,000
Credit Sales	8,00,000
Cash Sales	4,00,000
Branch Stock on 31-12-2017 (invoice price)	2,16,720
Branch expenses paid by Panjim Head Office:	
Salaries and wages	50,000
Printing and stationary	36,000
Insurance	34,000

Q.6. Write short notes on any **four** of the following:

[20 Marks]

- Average Clause in fire insurance claims
- Stock and Debtors System
- Unsecured Creditors
- Allocation of departmental expenses
- Advantages of weighted average method