

Vidya Vikas Mandal's
Shree Damodar College of Commerce and Economics, Margao-Goa
First Year B.Com, Semester-II, April 2016
Financial Accounting (OLD Course)

Duration: 2 hours

Max Marks: 80

- Instructions: 1) Question No.1 is compulsory
 2) Attempt any THREE questions from the remaining.

1. From the following information for the year ended 31st December 2015, prepare Departmental Trading and Profit & Loss A/c : (20)

	Rs.
Rent & Rates	4,200
Delivery Expenses	2,400
Commission on Sales	3,840
Insurance	900
Purchases- Dept. - A	52,800
-B	43,600
-C	34,800
Discount Received	1,968
Salaries	31,500
Advertising	1,944
Sales - Dept. A	80,000
„ B	64,000
„ C	48,000
Depreciation	2,940
Opening Stock - Dept. A	14,600
B	11,240
C	9,120
Administration Expenses	7,890
Closing Stock - Dept. A	12,400
B	8,654
C	9,746

Apportion the expenses among the Departments as follows:

Delivery Expenses - in proportion to Sales

Commission - 2% of Sales

Salaries and Insurance - in the ratio of 6:5:4

All other expenses equally among the Departments.

Discount Received is 1.5% of Purchases.

2. Expo Ltd issued 20,000 Equity Shares of Rs.100 each at a premium of Rs.10 per share payable as follows : (20)

On Application – Rs.20

On Allotment - Rs.40 (including premium)

On First Call -Rs.25

On Final Call - Rs.25

Applications were received for 15,000 shares and all these were allotted. All moneys were duly received. Pass journal entries in the books of the Company.

3. X,Y and Z were partners with a profit-sharing ratio of 3:2:1. They decide to dissolve their firm on 31st March 2015 when their Balance Sheet was as follows : (20)

Liabilities	Rs.	Assets	Rs.
Creditors	24,000	Cash at Bank	5,000
X's Loan	10,000	Debtors	18,000
Capitals - X	28,000	Stock	40,000
Y	16,000	Investments	3,000
Z	5,000	Furniture	4,000
		Machinery	13,000

A Provision of Rs.2,000 was made for Realisation Expenses. The Assets realised as under:

April Realisation - Rs.26,000	
May ,, - Rs.14,000	
June ,, - Rs.16,000	
July ,, - Rs.11,500	

Actual expenses of Realisation amounted to Rs.1, 500 only.

Prepare the Piecemeal Distribution Statement under Surplus Capital Method.

4. A,B and C were equal partners whose Balance Sheet on 31st December 2015 was as follows when they decided to dissolve their business : (20)

Liabilities	Rs.	Assets	Rs.
Capitals - A	5,00,000	Cash	1,10,000
B	7,00,000	Debtors	11,00,000
C	1,00,000	Stock	3,90,000
Creditors	7,90,000	Machinery	1,90,000
		Goodwill	3,00,000
	20,90,000		20,90,000

The Assets realised as follows :

January 2016 - Rs.8,91,000

February 2016 - Rs.7,50,000

March 2016 - Rs.1,60,000

There were some uncollected Debtors which were taken over by B who paid Rs.50,000 for the same. Show the Piecemeal Distribution of Cash under Maximum Loss method.

5. A Company with its Head Office in Goa has a Branch in Mumbai. Goods are invoiced to the Branch at Cost plus 50%. The Branch remits all the cash received to the Head Office and all expenses are paid by the Head Office. Following particulars are available : (20)

	Rs.
Stock on 1 st April 2015 (Invoice Price)	18,600
Debtors on 1 st April 2015	13,600
Goods sent to Branch (Invoice Price)	1,06,200
Sales at Branch : Cash	50,020
Credit	62,000
Goods returned by Debtors	2,400
Cash received from Debtors	60,800
Goods returned by Branch to Head Office (Invoice Price)	3,000
Discount allowed to Customers	400
Expenses at Branch : Rent	6,000
Salary	4,000
Office Expenses	800

Prepare Branch Stock A/c, Branch Debtors A/c, Branch Expenses A/c and Branch Adjustment A/c.

6. Write short notes on any FOUR : (20)
- Piecemeal Distribution
 - Pro-rata Allotment of Shares
 - Inter-departmental Transfers
 - FIFO Method of Stores Ledger
 - Garner vs Murray
 - Secured Liabilities