

**VidyaVikasMandal's**  
**Shree Damodar College of Commerce and Economics, Margao-Goa**  
**First Year B.Com, Semester-II, May/June Supplementary Exam 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 details of a retail concern, prepare Departmental Trading and Profit & Loss A/c for the period ended 31<sup>st</sup> December 2015 : (20)

	Rs.
Sales - P	59,000
Q	29,500
Purchases - P	20,000
Q	10,000
Opening Stock - P	2,320
Q	2,136
Salaries - P	20,560
Q	15,440
Advertising	615
Discount Allowed- P	400
Q	200
Rent & Rates	1,580
Canteen Charges	875
Heating & Lighting	880
Insurance of Stock	940
General Expenses	2,000

- Closing Stock on 31<sup>st</sup> December 2015 was -P Rs.2, 800 and Q Rs.2, 450.

General Expenses to be apportioned as 3:2.

	P	Q
Number of workers	9	6
Average Stock held Rs.	2,500	2,200
Floor Area Sq.Ft.	4,000	2,000

2. Sashank Ltd. offered to the public 10,000 shares of Rs. 100 each. Applications were received for 12,000 shares. The company rejected applications for 2,000 shares and allotted the remaining applicants in full. The amount was payable as follows: (20)

On Application - Rs.20, On Allotment - Rs.25, On First Call - Rs.30 and on Final Call - Rs.25. All moneys were called and duly received except the final call on 300 shares which was not received. Pass journal entries in the books of the Company.

3. P, Q and R were partners sharing profits and losses as 3:2:1. Their Balance Sheet on the date of dissolution was as follows : (20)

Liabilities	Rs.	Assets	Rs.
Creditors	13,000	Sundry Assets	80,000
P's Loan	5,000	Cash	6,000
General Reserve	12,000		
Capitals - P	27,000		
Q	16,000		
R	13,000		
	86,000		86,000



The Assets realised as under:

First Instalment	- Rs. 10, 500
Second Instalment	- Rs. 15,000
Third Instalment	- Rs. 21,000
Fourth Instalment	- Rs. 26,000

Show the Piecemeal Distribution of cash under Excess Capital Method.

4. X, Y and Z were equal partners who decided to dissolve their firm on 31<sup>st</sup> March 2015 when their Balance Sheet was as follows: (20)

LIABILITIES	Rs.	ASSETS	Rs.
Creditors	20,000	Fixed Assets	50,000
Reserve	30,000	Current Assets	40,000
Capitals - X	30,000	Cash in hand	20,000
Y	10,000		
Z	20,000		
	1,10,000		1,10,000

Rs.2,000 was kept aside as Provision for Realisation Expenses. The Assts realised as follows:

April 2015	- Rs.17,300
May 2015	- Rs.29,700
June 2015	- Rs.27,000

The actual expenses of Realisation were Rs.1, 400 only.

Prepare a Statement of Piecemeal Distribution following the Maximum Loss Method.

5. A Company in Surat has a Branch in Pune. The Head Office invoices the goods to the Branch at cost plus 1/3<sup>rd</sup>. All Cash is remitted to Head Office and all expenses are paid by the Head Office. From the following particulars prepare Branch Stock A/c, Branch Debtors A/c, Branch Expenses A/c and Branch Adjustment A/c. (20)

	Rs.
Branch Stock on 1-1-2015 (Invoice Price)	80,000
Branch Debtors on 1-1-2015	20,000
Cash Sales	30,000
Discount allowed to Debtors	4,000
Bad Debts written off	3,000
Returns from Customers	1,500
Collection from Debtors	1,20,000
Goods sent to Branch (Invoice Price)	2,00,000
Goods returned to Head Office (Invoice Price)	16,000
Credit Sales	1,50,000
Closing Stock (Invoice Price)	1,00,000
Cheques issued by Head Office for Expenses:	
Salaries	12,000
Rent & Rates	6,000
Advertising	5,000

6. Write short notes on any FOUR: (20)
- Debtors System of Branch A/cs
  - Preferential Liabilities
  - Loading on Goods sent to Branch
  - Maximum Loss Method
  - Departmental Accounts
  - Garner vs Murray