

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

Duration: - 2 hours

Marks: - 80

Instruction:-

1. Question No. 1 is compulsory.
2. Answer any three from Question 2 to Question 6.
3. Marks at the right denote the maximum marks.
4. Start each question on a new page.

Q 1) Shah and Co. of Mumbai started a branch at Goa on 1-01-2015 to which goods were sent at 20% above cost. Branch remits all cash received to the head office and all expenses are met by the head office. Following particulars were available.

| Particulars | Amount (Rs) |
|---|-------------|
| Branch Stock on 1-01-2015 (Invoice Price) | 36,000 |
| Branch Debtors on 01-01-2015 | 25,750 |
| Goods sent to Branch (Invoice Price) | 3,24,600 |
| Goods returned from Branch to Head Office (Invoice Price) | 6,420 |
| Cash received from Debtors | 2,10,000 |
| Discount allowed to Debtors | 5,750 |
| Branch expenses paid by Head Office: | |
| Salary and Wages | 12,500 |
| Printing and Stationary | 9,000 |
| Insurance | 8,500 |
| Credit Sales | 2,00,000 |
| Cash Sales | 1,00,000 |
| Branch Stock on 31-12-2015 (Invoice Price) | 48,180 |

You are required to prepare Branch Stock Account, Branch Debtors Account, Branch expense Account, Branch Adjustment account and Branch Profit and loss Account. (20 marks)

Q2) Hemanshu Ltd. has two departments, A and B. From the following list of balances, prepare Departmental Trading and Profit & Loss Account for the year ended 31st December, 2015.

| Particulars | Debit (Rs) | Credit (Rs) |
|-----------------------------|-------------|--------------|
| Stock as on 1-1-2015 | | |
| Department A | 34,000 | |
| Department B | 29,000 | |
| Purchases | | |
| Department A | 70,800 | |
| Department B | 60,400 | |
| Sales | | |
| Department A | | 1,21,600 |
| Department B | | 1,02,500 |

| | | |
|----------------------------------|--------|-------|
| Wages | | |
| Department A | 16,400 | |
| Department B | 5,400 | |
| Rent, Rates, Taxes and Insurance | 18,780 | |
| Sundry expenses | 7,200 | |
| Salaries | 6,000 | |
| Lighting and Heating | 4,200 | |
| Discounts Allowed | 4,440 | |
| Discounts Received | | 1,300 |
| Advertising | 7,360 | |
| Carriage Inwards | 4,680 | |
| Plant & Machinery | 48,000 | |
| Furniture & Fittings | 30,000 | |

The following information is also provided:-

- 1) Internal transfer of goods Department A to Department B Rs.840.
- 2) The items rent, rates, taxes and insurance, sundry expenses, lighting and heating, salaries and carriage inward to be apportioned $\frac{2}{3}$ rd to Department A and $\frac{1}{3}$ rd to Department B.
- 3) Advertising to be apportioned equally.
- 4) Discount allowed and received are apportioned in the ratio of 60:51 and 7:6 respectively.
- 5) Depreciation at 10% per annum on furniture & fittings and on plant & machinery. Depreciation is to be charged $\frac{3}{4}$ th to Department A and $\frac{1}{4}$ th to Department B.
- 6) Stock as at 31st December 2015: Department A Rs. 33,480 and Department B Rs. 24,100.

(20 marks)

Q 3) Shahrukh, Aamir and Ranbir were equal partners in Sholay Ltd. they decide to dissolve the firm on 31st December 2015 when the balance sheet was as under :-

| LIABILITIES | AMOUNT (Rs) | ASSETS | AMOUNT (Rs) |
|-----------------|-----------------|--------------|-----------------|
| Creditors | 40,000 | Building | 1,00,000 |
| General Reserve | 60,000 | Debtors | 80,000 |
| CAPITALS | | Cash | 40,000 |
| Shahrukh | 60,000 | | |
| Aamir | 20,000 | | |
| Ranbir | 40,000 | | |
| TOTAL | 2,20,000 | TOTAL | 2,20,000 |

It was agreed that Rs. 4000 should be kept aside for realization expenses. The assets were realized as follows:-

First Realization Rs. 34,600

Second Realization Rs. 59,400

Third Realization Rs. 54,000

Actual Realization expenses amounted to Rs. 2,800 only.

You are required to prepare a Statement showing the distribution of cash by using Maximum Loss Method

(20 marks)

Q 4) On 20th March 2016, the godown and the business premises of a merchant Topewalla were affected by fire. From the accounting records salvaged, the following information is made available (all figures in rupees)

| Particulars | Amount (Rs) |
|--|--------------|
| Stock of goods on 1 st January, 2015 | 2,00,000 |
| Stock of goods at 10% lower than cost as on 31 st December 2015 | 2,16,000 |
| Purchase of goods for the year 1 st January to 31 st December 2015 | 8,40,000 |
| Sales for the year 1 st January to 31 st December 2015 | 12,00,000 |
| Purchases for the period 1 st January 2016 to 20 th March 2016 | 2,80,000 |
| Sales for the period 1 st January 2016 to 20 th March 2016 | 6,20,000 |

- 1) Sales up to 20th march 2016 included Rs.80, 000 for which goods have not been dispatched.
- 2) Purchases up to 20th March 2016 did not include Rs.40, 000 for which purchases invoices had not been received from suppliers, though goods have been received at the godown.
- 3) Goods salvaged from the accident were worth Rs. 24,000 and these were handed over to the insured.

Ascertain the value of claim for the loss of Goods/ Stock.

(20 Marks)

Q 5) a) Ada, Fiza and Mita were partners in Dynamics Ltd sharing profits and losses in the ratio of 5:3:2. On 31st May 2015, they decided to dissolve the firm when the balance sheet was as follows:-

| LIABILITY | AMOUNT (Rs) | ASSETS | AMOUNT (Rs) |
|-----------------|-----------------|-------------------------|-----------------|
| Capitals | | Cash in hand | 30,000 |
| Ada | 1,40,000 | Stock in trade | 80,000 |
| Fiza | 1,14,000 | Debtors | 1,00,000 |
| Mita | 26,000 | Furniture | 2,40,000 |
| Reserve Fund | 30,000 | Land | 2,00,000 |
| Bank Loan | 10,000 | Profit and Loss Account | 10,000 |
| Creditors | 1,44,000 | | |
| Bills Payable | 96,000 | | |
| Ada's Loan | 70,000 | | |
| Fiza's Loan | 30,000 | | |
| TOTALS | 6,60,000 | | 6,60,000 |

Based on the above information you are required to prepare a statement of Excess Capital.

(10 marks)

b) Explain the order of Payment in Piecemeal Distribution.

(5 marks)

c) What is dissolution? Explain the modes of dissolution.

(5 marks)

Q 6) The receipts and issues side of the Stores Ledger Account of Froscnt Ltd Shows the following particulars for the month January 2015.

| | |
|---|--------------------------------|
| January 1 st Opening Balance | 500 units @ Rs. 4 per unit. |
| January 5 th Received | 200 units @ Rs. 4.25 per unit. |
| January 12 th Received | 150 units @ Rs. 4.10 per unit |
| January 20 th Received | 300 units @ Rs. 4.50 per unit |
| January 25 th Received | 400 units @ Rs.4.00 per unit |

Issues of the materials are as follows:-

| | |
|-------------------|-----------|
| January 4 Issued | 200 units |
| January 10 Issued | 400 units |
| January 15 Issued | 100 units |
| January 19 Issued | 100 units |
| January 26 Issued | 200 units |
| January 30 Issued | 250 units |

Prepare stores ledger account showing the pricing of the materials issue under the FIFO method.

(20 Marks)