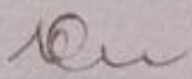


# FRONT PAGE

Student's Name	:	Gt. Shobitha
Register Number	:	B9C14731
Centre Code	:	251
Subject Name	:	Financial Accounting - III
Subject Code	:	CCATC 32
Date of Examination	:	21/12/2020
Time	:	2.00 to 5.00
Total No. of Pages written	:	21
Student's Signature	:	Gt. Shobitha
Parent's Signature	:	

\_ \_ / \_ \_ / \_ \_

## Part - A

Answer the Following:

- 1) b) Repossession
- 2) b) 1909
- 3) c) nominal account
- 4) b) Sales ratio
- 5) a) Short Sales
- 6) consequential policy
- 7) Royalty Account
- 8) Profit & Loss A/c
- 9) Interest
- 10) Balance sheet

Shobitha

Dec

## Part - B

11] A)

Particulars	RS	Particulars	RS
To opening stock	2,00,000	By Sales	10,00,000
To Purchase	6,00,000	By Stock on date Fire	2,00,000
To Wages	1,50,000		
To Gross Profit $10,00,000 \times \frac{20}{100}$	2,00,000		
	<u>12,00,000</u>		<u>12,00,000</u>

### Statement of Claim

Stock on date of Fire	2,00,000
(-) Stock salvaged	20,000
$\therefore$ Amount of Claim	<u>1,80,000</u>

Shobitha

*[Signature]*



# ANALYSIS OF ROYALTY

Q) A7

Year	Out Put	Royalty	Minimum Rent	Shoe Weaving	Shoe Work Recovered	Shoe Work Recoverable	Payment to Land Lord
1st yr	10000	25000	30000	25000	-	-	30000
2nd yr	48000	24000	30000	6000	-	-	30000
3rd yr	80000	40000	30000	-	10000	21000	30000

15) A)

Year	Instalment	Interest Paid	Cash Paid Period	Down Payment	5000	Nil	5000
1st year	5500	$5500 \times \frac{10}{100}$ = 550	(5500 - 500)	5000	3000	5000	25000
2nd year	6000	$6000 \times \frac{10}{100}$ = 600	(6000 - 1000)	5000			
3rd year	6500	$6500 \times \frac{10}{100}$ = 650	(6500 - 1500)	5000			
4th year	7000	$7000 \times \frac{10}{100}$ = 700	(7000 - 2000)	5000			

Interest

1st year - 2000  
2nd year - 1500  
3rd year - 1000  
4th year - 500

∴ The total cash paid is  
Rs 25000

14) BI

## Advantage of Departmental Accounting

### MEANING OF DEPARTMENTAL

### ACCOUNTING :

An organisation may produce or buy and sell several products or perform different services under the same roof or from the same premises. The modern practice is to divide the organisation into independent departments, each of which may deal in a particular class of goods or render a specialised type of service. For example, a readymade garments firm may be divided into tailoring and selling departments; a department store may be divided into textile provisions and durable goods departments etc.

When accounts are finalised at the end of the year, the usual method of trading and profit and loss account is not suitable. For such organisations the purpose of the management may desire to ascertain the trading result of each department and overall result of the organisation.

The methods of accounting which is followed to obtain such result is known as Departmental Accounting.



## Advantages of Departmental Accounting:

The following are the benefits derived by business firms through departmental accounting

(i) Ascertainment of Profit: Gross Profit and net Profit can be ascertained each department separately on a reliable basis

(ii) Comparative Performance: The result of different departments compared in terms of Profit, expenses, inventories, percentage of return on investment etc....

(iii) Appraisal of Personnel: Individuals responsible for improved result or decline in performance can be identified this is useful in implementing incentive systems.

(iv) Remedial measures: Areas of poor performance can be identified for implementing remedial measure. If situation warrants decisions to discontinue some products or closing departments may be taken accurately

(v) Expansion and Diversification: Decisions to expand and diversify profitable lines of business become easier.

- (vi) Policy Formulation:  
Management Policies towards inventories, extending credit, additional investments etc. are facilitated.

### 13) Advantages of Self-Balancing

#### System:

The following are the advantages of the accounts maintained under self-balancing system.

- (i) Mathematical accuracy of cash ledger can be proved by preparing a trial balance for cash ledger.
- (ii) The system localises the errors and facilitates in their quick detection with minimum effort.
- (iii) Accounting information necessary for communication can be extracted easily and quickly.
- (iv) It facilitates division of work among different employees of the organisation.
- (v) The maintenance of a Private ledger ensures security.
- (vi) Responsibility for committing errors can be fixed thus the system serves as a deterrent on careless work by employees.
- (vii) It promotes specialisation and increases efficiency.
- (viii) Different ledgers are kept by different employees, hence the possibility of collusion among them to defraud is minimised.



## Part-c

19) Solution

BOOKS OF mohan Ltd Patna

PATNA BRANCH A/c

1989	Particulars	RS
------	-------------	----

Jan 1 To Balance b/d

Stock		1250
Debtors		700
To goods sent to hand		9100
To Bank		
Rent	400	
Wages	340	
Sundry Expenses	80	
		820

Dec 31 To Stock Reserve  
(1500 x 25/125)

To Unearned Profit A/c

(Profit)

13170

Working notes:

Calculation of cash received from Debtors

Date	Particulars	RS
1/1/89	To balance b/d	700
	To sales (credit)	3500
		4200



1989	Particulars	Rs
	BY Bank:	
	Cash sales: 5400	
	Cash received From Ab: 3300	8700
Dec 31	BY Stock sent to some class $\times 25 / 125$	250
Dec 31	BY Goods sent to Branch - loading $9100 \times 25 / 125$	1820
Dec 31	BY Balance c/d	
	Stock 1500	
	Debtors 900	
		<u>13170</u>

Date	Particulars	Rs
31/12/89	BY cash c Bal. Fwd	3300
	BY balance c/d	900
		<u>4200</u>

17)

Year	Output	Royalty	Minimum cost	Shoot hoaking
1996	2000	10,000	20,000	10,000
1997	3000	15000	20,000	5000
1998	4000	20,000	20,000	-
1999	41500	22,500	20,000	-
2000	5000	25,000	20,000	-

Shoot hoaking  
verifiedShoot hoaking  
availablePayment  
land load-  
-  
-  
2,500  
5,000-  
-  
-  
-  
7,50020,000  
20,000  
20,000  
20,000  
20,000Toward entries in the Booked  
Bengal Hms. Classes

Date	Particulars	Rs	Rs
1996	Royalty Lic. Dr	10,000	
Dec 31	shoot hoaking Lic. Dr	10,000	
	To Land Load Lic. Cr. Dr		20,000
	(Royalty Due to Land)		
Dec 31	Land load Lic. Dr Cr. Dr	20,000	
	To Bank Lic		20,000
	(Minimum cost Paid to Land Load)		
Dec 31	Production Lic. Dr	10,000	
	To Royalty Lic		10,000
	(Royalty transferred)		

1997  
Dec 31 Royalty Lic. Dr 15000  
shoot hoaking Lic. Dr 1000  
To Land Load Lic. Cr. Dr 20000

(Royalty Due to Land)

Dec 31 Land Load Lic. Dr Cr. Dr 20,000  
To Bank Lic 20,000(Minimum cost Paid to  
Land Load)Dec 31 Production Lic. Dr 15000  
To Royalty Lic 15000

(Royalty transferred)

1998  
Dec 31 Royalty Lic. Dr 20,000  
To Land Load Lic. Cr. Dr 20,000(Minimum cost Paid  
To Land Load)

Shri

100



Dec 31 1999	Land Load LAIC Debit (max) 22,500 To Shook Housing LAIC To Bank LAIC	2500 20,000
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(Minimum Rent Paid &  
accrued)

Dec 31	Production LAIC Debit 22,500 To Royalty LAIC (Royalty transferred)	22,500
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2000 Dec 31	Royalty LAIC 25000 To Land Load LAIC (max) (Royalty due)	25000
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Dec 31	Land Load LAIC Debit (max) 25000 To Shook Housing LAIC To Bank LAIC (Amount Paid to Land Load after accruing)	1000 24000
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Dec 31	Pay LAIC Debit 7500 To Shook Housing LAIC (Shook Housing accrual)	7500
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Dec 31	Production LAIC Debit 25000 To Royalty LAIC (Royalty transferred)	25000
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# Journal entries in the Books of

Mal Dass

Date	Particulars	Rs	Rs
1996 Dec 31	Lessee a/c Bengal (mine) To Royalty Receivable	20,000	10,000
	To Shout Nouring a/c (Royalty due from lessor)		10,000
Dec 31	Bank a/c To Bengal Mine a/c (minimum received)	20,000	20,000
Dec 31	Royalty receivable a/c To P & L a/c (Royalty due from lessor)	10,000	10,000
1997 Dec 31	Bengal mine a/c Dr To Royalty receivable a/c To Shout Nouring a/c (Royalty due from lessor)	20,000	15,000 5,000
Dec 31	Bank a/c Dr To P & L a/c  (Royalty receivable received)	15,000	15,000
1999 Dec 31	Lessee a/c Dr Bengal To Royalty receivable	21,500	21,500

Shobit

10/11/20





Particular	memorandum RS
To Opening stock	25000
To Purchase	146000
To O.P	
189,000 @ 20.75	<u>39217.5</u>
100	
	<u>210417.5</u>

### Statement of Claim

Stock on date fire	21217.5
(-) salvaged	6000
Amount of claim	<u>15017.5</u>



- Trading A/c From 1/1/2014 to 10/10/2014

Particulars	Rs
By sales	1,89,000
By stock on date OF F100	21,217.5

2,10,217.5

Shobitha

Dr