

Honorarium to Secretary	Rs. 5,000
Sports material	Sports material purchases for Rs. 15,000, Closing stock of Sports material at the end of year is 14,000.
Donation	Donation received Rs. 20,000 for purchased of table for Table Tennis game.
Investment	Purchased 10% Government Debenture on 1 July 2017 for Rs. 15,000. Interest is received Rs. 750 up to 31 March 2018.

At the end of the year cash balance is Rs.5,800 and bank balance is Rs. 25,200.

OR iii. Discuss the systems of maintain accounts of non- profit organizations. 7

Q.6 i. What is sacrificing ratio? Why is it calculated? 3
 ii Harsh and Rishi are Partners in a firm. Their Balance sheet on 31st March 2017 is as under: 7

Liabilities	Amount	Assets	Amount
Creditors	30,000	Cash	12,000
Deep's Loan A/c	12,000	Investment	10,200
Capital:		Sundry Debtors	20,000
Harsh	32,000	Stock	11,000
Rishi	16,000	Furniture	6,800
Reserve Fund A/c	10,000	Building	40,000
Total	1,00,000	Total	1,00,000

On that day they decided to admitted Raj in partnership subject to the following terms:

- He will pay Rs.40,000 for capital and Rs.10,000 for 1/3 share of goodwill.
- He will get his share from Harsh and Rishi equally.
- Reserve for doubtful debts will be created @5% on debtors.
- Investment will be valued Rs 8,200
- Rs. 2,000 will be paid against Deep's loan.
- Stock will be valued Rs. 12,000
- Furniture will be depreciated by Rs.600

You are required to prepare revaluation a/c, Partner's capital a/c and balance sheet of new firm as on 31th march 2017.

OR iii How goodwill is accounted for at the time of retirement of partners? 7
 Explain the provision of Accounting Standard -10 in this respect.



Enrollment No.....

Faculty of Commerce
End Sem (Even) Examination May-2022
CM3CO06 Financial Accounting -II
 Programme: B.Com.(Hons.) Branch/Specialisation: Commerce
Duration: 3 Hrs. Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. In Order to find out the amount of closing stock we have to prepare- 1
 (a) Head office account (b) Head office stock account
 (c) Memorandum stock account (d) Branch account
- ii. The head office supplied goods to branch at the rate of cost + 25%, if the 1
 cost Price is Rs 40,000, the invoice price will be-
 (a) Rs 30,000 (b) Rs 32,000 (c) Rs 50,000 (d) Rs 60,000
- iii. The entry for inter-departmental transfer of goods will be recorded in the 1
 following account:
 (a) In the debit side of the trading account
 (b) In the debit side of the profit and loss account
 (c) In the credit side of the trading account
 (d) In the credit side of the profit and loss account
- iv. Joint expenses regarding advertisement & bad debts are allocated on: 1
 (a) Cost basis (b) Labour basis
 (c) Cost of sales basis (d) Net sales basis
- v. To take the risk of the loss due to bad debt, a consignee in allowed which 1
 of the following commission:
 (a) General commission (b) Del- credere
 (c) Over riding commission (d) None of these
- vi. In the books of consignor, the expenses incurred by consignee should be 1
 debited to:
 (a) Consignee a/c (b) Consignment a/c
 (c) Expenses a/c (d) Consignor a/c
- vii. Expenses greater than incomes of non-profit organization give rise to- 1
 (a) Loss (b) Profit (c) Surplus (d) Deficit

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- viii. Rent expenses of a non-profit organization paid in advance, which of the following is the correct classification of rent? **1**
 (a) Assets (b) Expenses (c) Equity (d) Liability
- ix. A and B are partners in the ratio of 3:2 They admit C for $\frac{1}{4}$ share of profit. The new profit-sharing ratio of A, B & C will be: **1**
 (a) 9: 6: 5 (b) 3: 2: 1 (c) 9: 6: 4 (d) 8: 6: 5
- x. A, B and C are partners in the ratio of 3:2:1 Goodwill Rs. 6,000 given to C on his retirement is debited to capital account of A and B will be **1**
 (a) 3600:2400 (b) 2400:3600 (c) 4500:1500 (d) 1500:4500

- Q.2 i. Explain goods in transit give suitable example. **3**
 ii. The trading firm of Shree Janmesh Kumbhaj has a retail branch, which is supplied with goods from the head office and keeps its sales ledger and remits all cash received daily to the head office, the branch expenses being borne by the head office. From the following particulars prepare the branch account in the books of the head office: Six-month credit sales = 2,485, Cash sales = 1,460, Returned inward = 30, Cash received on ledger accounts = 2,387, Opening debtors = 1,345, Opening stock = 840, Closing stock = 1,280, Goods received from head office = 2,276, Bad debts = 65, Wages and other expenses = 415, Rent, rates & taxes = 402. **7**
- OR iii. What do you mean by hire purchase system? Explain any five advantages of it. **7**

- Q.3 i. Distinguish between departmental accounts and branch accounts. **3**
 ii. What do you mean by departmental accounts? Describe any five advantages of it. **7**

- OR iii. The following are the figures of three departments of a department stores-

	A	B	C
Opening Stock	10,000	5,000	3,000
Closing Stock	7,000	5,000	3,000
Purchases	1,00,000	80,000	60,000
Sales	2,00,000	1,50,000	1,00,000
Wages	5,000	3,000	2,000

Other Information:

- (a) Rent, rates and insurance Rs 24,000 are to be allocated in the ratio of space occupied i.e., A $\frac{1}{2}$ B $\frac{1}{4}$ C $\frac{1}{4}$.

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- (b) Factory expenses Rs. 20,000 are to be allocated in the ratio of wages.
 (c) Advertisement Rs. 13,500; discount Rs. 5,400 and commission Rs. 14,400 Apportion these expenses in the sales ratio.
 (d) Following expenses are to be divided equally: General expenses Rs. 27,300 stationery, Rs. 1,800 and postage Rs. 900.
 Prepare departmental trading and profit & loss account showing the result of each department.

- Q.4 i. Distinguish between normal and abnormal loss? **3**
 ii. Jayesh of Jaipur Consigned 600 lunch boxes to Rakesh of Rajkot. The cost of each lunch box was Rs. 80 which was invoiced at cost plus 25%. The consignor spent Rs. 220 on packing Rs. 480 on insurance and Rs. 600 on freight. Rakesh took the delivery of goods paying Rs. 360 as entry tax and Rs. 204 as carriage. Rakesh made a cash sales of 504 lunch boxes at Rs. 120 box. He informed a transit loss of 36 lunch boxes for which he received Rs. 1,800 as claim form insurance company. He is to get a commission of 8%. Prepare consignment and goods sent on consignment account. **7**
- OR iii. What Journal entries are to be made for consignment in the books of consignor & consignee? **7**

- Q.5 i. Explain income and expenditure account? **3**
 ii. From the following transactions of Madhya Pradesh club for the year ending 31st March 2018 You are required to prepare receipts and payment account- **7**
 Membership fees – From 100 members Rs 1,000 is to be taken but membership fees of 90 members are received in the financial year. 20 members have paid the fees for the year 2018-2019 in advance.

Salary	Rs. 5,000 per month but outstanding for March 2018.
Rent	The rent has been paid up to June 2018 at the rate of Rs. 2,800 per month.
Furniture	Rs. 25,000 have been purchased in March 2018 but furniture still to be Received up to end of the year.
Sundry Expenses	Sundry expenses outstanding for Rs. 2,000 out of total expenses of Rs. 12,000.
Office Expenses	Payment of office expense is Rs. 24,500. It includes payment of Previous years expense Rs. 2,500.

Marking Scheme
CM3CO06 Financial Accounting -II

- Q.1 i. In Order to find out the amount of closing stock we have to prepare- **1**
(c) Memorandum stock account
- ii. The head office supplied goods to branch at the rate of cost + 25%, if the cost Price is Rs 40,000, the invoice price will be- **1**
(c) Rs 50,000
- iii. The entry for inter-departmental transfer of goods will be recorded in the following account: **1**
(c) In the credit side of the trading account
- iv. Joint expenses regarding advertisement & bad debts are allocated on: **1**
(c) Cost of sales basis
- v. To take the risk of the loss due to bad debt, a consignee is allowed which of the following commission: **1**
(b) Del- credere
- vi. In the books of consignor, the expenses incurred by consignee should be debited to: **1**
(b) Consignment a/c
- vii. Expenses greater than incomes of non-profit organization give rise to- **1**
(d) Deficit
- viii. Rent expenses of a non-profit organization paid in advance, which of the following is the correct classification of rent? **1**
(a) Assets
- ix. A and B are partners in the ratio of 3:2 They admit C for $\frac{1}{4}$ share of profit. The new profit-sharing ratio of A, B & C will be: **1**
(a) 9: 6: 5
- x. A, B and C are partners in the ratio of 3:2:1 Goodwill Rs. 6,000 given to C on his retirement is debited to capital account of A and B will be **1**
(a) 3600:2400

- Q.2 i. Explanation of goods in transit 2 marks **3**
Suitable example 1 mark
- ii. Branch account as per entries 5 marks **7**
Debtor account as per entries 2 marks
- OR iii. Meaning of hire purchase system 2 marks **7**
Any five advantages (1 mark * 5)

- Q.3 i. Any three differences (1 mark * 3) **3**

- ii. Meaning of departmental accounts 2 marks **7**
Any five advantages (1 mark * 5)
- OR iii. Preparation of departmental accounts **7**
As per solution / entries (step marking)
- Q.4 i. Any three differences (1 mark * 3) **3**
ii. Preparation of consignment and goods account **7**
As per solution / entries (step marking)
- OR iii. Journal entries for consignor 3.5 marks **7**
Journal entries for consignee 3.5 marks
- Q.5 i. As per explanation 3 marks **3**
ii. Preparation of receipts and payment account **7**
As per solution / entries (step marking)
- OR iii. Receipts and payment 2 marks **7**
Income and Expenditure 2 marks
Balance Sheet 3 marks
- Q.6 i. Meaning of sacrificing ratio 2 marks **3**
Reason 1 mark
ii. Revaluation account 2 marks **7**
Partner's capital account 2 marks
Balance Sheet 3 marks
- OR iii. Explanation of goodwill 3 marks **7**
Provision as per Accounting Standard -10 4 marks