

Receipts	Amount	Payments	Amount
Cash balance	6,200	Match expenses	9,000
Subscriptions	75,000	Rent	12,000
Interest	1,000	Salaries	23,000
Donations for building fund	1,00,000	Office expenses	4,500
Match fund	15,000	Investments	75,000
Miscellaneous receipts	800	Newspapers	1,000
Sale of old furniture (Book value Rs. 2000)	2,500	Sports equipment	40,000
		Cash balance	36,000
	2,00,500		2,00,500

Prepare income and expenditure account for the year ended 31st March 2018 and a Balance Sheet as on that date after Depreciating furniture by 10% and sports equipment by 20%.

- Q.6 i. A and B are partners, shares their profit and loss in 3:2. If C joint for $\frac{1}{4}$ share 3
what will be the new profit ratio? Calculate.
- ii. Om, Jai and Jagdish are partners sharing profit in the ratio of 3: 2: 1. Their 7
balance sheet as on 31st December 2018 is as under:

Liabilities	Amount	Assets	Amount
Creditors	80,000	Building	1,80,000
Bills Payable	26,000	Plant	1,40,000
General reserve	24,000	Motor Car	40,000
Capital :		Stock	1,00,000
Om 1,60,000		Debtors 63,000	
Jai 1,20,000		Less : Provision	
Jagdish 1,20,000	4,00,000	for Bad Debts 3,000	60,000
		Cash at Bank	10,000
	5,30,000		5,30,000

Jai retires on that date on the following terms:

- (a) The Goodwill of the firm is valued at Rs.60,000.
 (b) Stock and Building to be appreciated by 10%.
 (c) Plant is depreciated by 10%
 (d) Provision for Bad debts is increased upto Rs.5,000.
 (e) Jai's share of goodwill adjusted through remaining partners capital account, the amount due to Jai is paid out of the fund brought in by Om and Jagdish for that purpose in their new profit-sharing ratio. Jai is paid full amount.
 Prepare Revaluation Account and Partner's Capital account.

- OR iii. Explain the treatment of goodwill in case of admission of partner with journal 7
entries and proper narration.

Enrollment No.....



Faculty of Commerce
 End Sem (Even) Examination May-2019
 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. Branches may be classified into: 1
 (a) Inland Branches & Foreign Branches
 (b) Account Branches & proper branch
 (c) Main Branch & Subordinate Branch
 (d) None of these
- ii. The price of goods sent by head office to branch at a higher price than cost 1
 price is called as:
 (a) Invoice (b) Bill (c) Account Sales (d) None of these
- iii. Which of the following is a valid reason for closure of department? 1
 (a) Losses made by department (b) Negative Contribution
 (c) Lower Profits (d) Falling Contribution
- iv. An appropriate method of apportioning the expense of rent between different 1
 departments would be:
 (a) Floor space taken up by each department
 (b) Number of people employed in each department
 (c) Sales earned in each department
 (d) Equal share between departments
- v. Goods sent on consignment should be debited by consignor to: 1
 (a) Consignment A/c (b) Goods sent on consignment A/c
 (c) Consignees A/c (d) Consignors A/c
- vi. In the books of consignor, the balance of the consignment stock account would 1
 be shown:
 (a) As an asset in the balance sheet.
 (b) As liability in the balance sheet.
 (c) On the credit side of trading account.
 (d) On the debit side of consignment account.
- vii. Examples of non-trading concerns are: 1
 (a) Commercial banks (b) Civil hospital
 (c) Joint stock company (d) Private educational institutions

- viii. The accounts of non-trading concerns are generally maintained according to: **1**
 (a) Mercantile accounting system (b) Cash accounting system
 (c) Double entry book keeping system (d) Single entry system
- ix. One advantage of operating as a partnership would include: **1**
 (a) Access to a larger amount of initial capital
 (b) Being able to raise capital through share issues
 (c) Limited liability for all partners
 (d) Greater power than a sole trader for decision making
- x. In normal trading circumstances, which of the following would not be found in a partner's current account? **1**
 (a) Drawings (b) Salaries
 (c) Interest on drawings (d) Goodwill

- Q.2 i. State the difference between Independent & Dependent Branch. **3**
 ii. From the following particulars prepare a branch account showing the profit or loss at the branch **7**

Particulars	Rs.	Rs.
Opening stock at the branch	15000	
Goods sent to branch	45000	
Sales	60000	
Salaries		5000
Other expenses		2000

Closing stock could not be ascertained but it is known that the branch usually sells at cost plus 20%. The branch manager is entitled to a commission of 5% of the profit of the branch before charging such commission.

- OR iii. What do you mean by branch account? What are the objectives of making it. Give types of branch. **7**
- Q.3 i. What do you mean by Departmental Accounts? Why are they considered necessary? **3**
 ii. Explain the basis of common expenses among various departments? **7**
 OR iii. A firm has two departments X and Y. Department Y (manufacturing department) receives goods from department X as its raw material. Department X supplies the goods to Y at cost price. From the following information prepare a Departmental Income Statement for the year ended on 31 December 2007: **7**

	X Rupees	Y Rupees
Opening Stock (1-1-2007)	250,000	75,000
Purchases (Outside supplier)	1,000,000	20,000
Sales (Outside customer)	1,200,000	300,000
Closing stock (31-12-07)	150,000	50,000

Other Information:

- (a) Depreciation is charged on building @ 20% p.a. Cost of building is Rs. 105,000 and occupancy ratio is 2/3 and 1/3 for X and Y respectively.
 (b) X department transferred goods Rs. 250,000 to department Y.
 (c) Manufacturing expenses Rs. 10,000.
 (d) Selling expenses Rs. 15,000.
 (e) General expenses Rs. 58,000

- Q.4 i. What account are prepared in the books of consignor? **3**
 ii. Ali consigned 100 cases of candles to Khalid costing Rs.50 per case. He incurred expenses -packing – Rs.100, carriage - Rs.150 and rail freight - Rs.200. Some cases were damaged in transit and consignee took delivery of 90 cases. Consignee spent Rs.50 for cartage and Rs.300 towards warehouse rent. Khalid sold 70 cases at Rs.60 per case. He sent net amount payable to consignor after deducting his expenses and commission at the rate of 5% of sale. Consignor received Rs. 300 from railway for damages. Show Consignment Account and Consignee A/c in the book of consignor. **7**
- OR iii. Sree Traders of Gujrat purchased 10,000 sarees @ Rs.100 per saree. Out of these 6,000 sarees were sent on consignment to Nirmala Traders of Kolkata at the selling price of Rs.120 per saree. The consignors paid Rs. 3,000 for packing and freight. Nirmala Traders sold 5,000 sarees @ Rs. 125 per saree and incurred Rs.1,000 for selling expenses and remitted Rs.5,00,000 to Gujrat on account. They are entitled to a commission of 5% on total sales plus a further of 25% commission on any surplus price realized over Rs.120 per saree. 3,000 sarees were sold at Gujrat @ Rs.110 per saree. Owing to fall in market price, the value of stock of saree in hand is to be reduced by 5%. You are required to prepare
 (a) Consignment Account (b) Nirmala Traders Account. **7**

- Q.5 i. What do you mean by receipt and payment account? What are the objectives of it? **3**
 ii. How Income and Expenditure Account is prepared from Receipt and Payments Account? Give specimen of Income and Expenditure. **7**
 OR iii. Following is the Receipts and Payments Account of Gold Star Club for the year ended 31st March 2018: Subscriptions outstanding on 31st March 2017 were Rs. 2500 and on 31st March 2018 were Rs. 4,000. Salaries outstanding on 31st March 2017 and on 31st March 2018 were Rs. 1500 and Rs. 1000 respectively. On 31st March 2017 the club had investments worth Rs. 25,000, furniture Rs. 30,000 and sports equipment valued at Rs. 60,000. **7**

Scheme of Marking B.Com. (Hons.)
CM3C006 Financial Accounting II.

Q. 1) Answers -

- i) (a) Inland Branches & Foreign Branches
- ii) (a) Invoice
- iii) (a) Losses made by Department
- iv) (a) Floor space taken up by each department
- v) (a) Consignment A/c
- vi) (a) As an asset in the balance sheet
- vii) (b) Civil Hospitals
- viii) (b) Cash Accounting System
- ix) (a) Access to a larger amount of initial capital
- x) (d) Goodwill

Q. 2)

- i) Difference between Independent Branch & Dependent Branch Proportionate Mark 3
- ii) Practical Proportionate Marking 7

- OR iii) Meaning of Branch A/c 1 Mark,
Objectives of Branch 3 Marks, 7
& types of Branch 3 Marks

- Q. 3) i) Meaning of Departmental Accounts
1 mark + necessity of these 2 marks 3

- ii) For basis of common Expenses 7
Rules

- OR iii) For Trading A/c $3\frac{1}{2}$ marks & 7
For P.&L. A/c $3\frac{1}{2}$ marks

2.4)

i) Names of A/c prepared in the Books of Consigner

3

ii) Consignment A/c 3 marks +
Consignee A/c 3 marks +
Valuation of consignment stock 1 mark 7

OR iii) Consignment A/c 3 marks +
Nirmala Trader's A/c
(Consignee) 2 marks +
Valuation of consignment stock 1 mark
Calculation of commission 1 mark 7

2.5) i) Meaning of Receipt & Payment 1 mark
& objectives of it 2 mark } 3

ii) Preparation of Income & Expenditure
from Receipt & Payment 3 marks 7
Specimen of Income & Expenditure 4 marks

OR iii) For Income & Expenditure $3\frac{1}{2}$ Marks }
For Balance sheet $3\frac{1}{2}$ Marks } 7

2.6) i) New Profit sharing Ratio 3

ii) Revaluation A/c 3 marks
Partner's Capital A/c 3 marks
Calculation of Goodwill 1 mark } 7

OR iii) Treatment of Goodwill
with Journal Entries (with Proper
Narration) each entry carry
1 mark 7
(without narration each entry
will carry $1/2$)