

B.Com Semester III (H)

Internal Assessment

Financial Accounting-II

Paper:CC3.1Ch

Full Marks: 10

Answer any One

1. (a) X and Y are two partners sharing profit and losses in the ratio of 4:1. They take z into partnership for $\frac{2}{5}$ th share of future profit. Z brings Rs. 5000 as goodwill. Show the new profit sharing ratio and distribution of the goodwill amount between X and Y.

(b) P and Q are two partners sharing profits and losses in the ratio of 5:4. They take R into partnership. R brings Rs. 20000 as capital but cannot bring Rs. 5400 as his share of goodwill. The new profit sharing ratio of partners is 5:4:3. Show the journal entries. (5+5=10)
2. On 1.4.2019 Ramanuj purchased a Gen-set from Honda Ltd. on hire purchase basis on the following terms:
 - a. The cash price of Gen-set was Rs.30000.
 - b. Rs.12000 would be payable on the date of delivery, that is, 1.4.2019.
 - c. The balance would be paid by three annual instalments of Rs. 6000 each together with interest chargeable on remaining balance @6% p.a. on 31st March every year.

Show the calculation of interest and hire purchase price of the asset.

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B.Com Semester III (H)

Financial Accounting-II

Paper:CC3.1Ch

Full Marks: 80

Answer any four

1. A Calcutta H.O. has a Branch at Nagpur. Goods are invoiced by the H.O. to the branch at cost plus 25%. From the following information prepare the (i) Branch Stock Account, (ii) Goods Sent to Branch Account, (iii) Branch Stock Adjustment Account, (iv) Branch Debtors Account and (v) Branch Profit & Loss Account:

Stock on 1 st January, 2019 (Invoice Price)		30000
Goods invoiced to Branch during the year (Invoice Price)		138000
Branch Debtors on 1 st January, 2019		24000
Goods returned by branch (invoice price)		2000
Branch Sales:		
Cash	64000	
Credit	<u>72800</u>	136800
Bad Debts written off		700
Discounts allowed to Debtors		600
Branch expenses		14500
Closing stock		27600
Cash received from Debtors		81000

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2. M purchased on 1st March, 2019 Rs. 24,000 5% Bharat Debenture stock @ 90 cum-interests. Interest being payable on 31st March and 30th September each year. Stamp and expenses on purchase amounted to Rs. 20 and brokerage @ 2% was charged on cost; interest for the half- year was received on the due date. On 1st September Rs. 10,000 of the stock was sold 92 ex-interests less brokerage @ 2%. On 30th September, Rs. 8,000 stock was purchased @ 91 ex-interest plus brokerage @ 2% and charges Rs. 10. On first 1st December. Rs. 6,000 stock wise sold @ 94 cum interest less Brokerage @ 2%. The market price of stock on 31st December was 88.5%. Show the Investment Account for the year ending on 31st December, 2019 assuming FIFO Method. Calculation should be made in the multiple of rupee. M holds the Bharat Debenture stock as current assets.

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3. Silver Ltd. has three departments and submits the following information for the year ended on 31.12.2019.

	Dept. A	Dept. B	Dept. C	Total
Purchases (units)	5000	1000	15000	
Purchases (amount)				840000
Sales (units)	5200	9800	15300	
Selling price per unit (Rs.)	40	45	50	
Closing Stock (Units)	400	600	700	

You are required to prepare Departmental Trading Account of Silver Ltd. assuming that the rate of Gross Profit on sales is uniform in each department. 20

4. A, B and K were partners sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as on 31st December, 2019 was as follows:

Liabilities	Rs.	Assets	Rs.
Capital:		Cash at bank	3500
A	45000	Debtors	30000
B	35000	Stock	25000
K	25000	Plant	40000
Reserve	15000	Buildings	50000
Profit & Loss Account	12000	Furniture	4000
Creditors	20500		
	152500		152500

K retired on that date subject to the following conditions: (i) Goodwill of the firm to be valued at Rs. 36000; (ii) Building is to be appreciated by 20% ; (iii) Plant and Furniture are to be depreciated by 10% and 15% respectively; (iv) provision to be made for doubtful debts at 5%.

A and B are to bring in cash, if necessary, in their profit sharing ratio to pay off K's dues on retirement and leave a sum of Rs. 10000 as working capital.

Prepare Revaluation Account, partners' Capital Accounts and the new balance Sheet. 20

5. P, Q and R are partners sharing profits and losses as 5:3:2. The business is dissolved on 31.12.2019 when the Balance Sheet stands as follows:

Liabilities	Rs.	Assets	Rs.
Capital:		Cash at bank	5000
P	10000	Debtors	45000
Q	40000	Stock	60000
R	20000	Machinery	50000
Creditors	100000	Car	10000
	170000		170000

Machinery and stock are sold for Rs. 25000 and Rs. 18000 respectively. Car is taken by Q for Rs. 12000. Debtors realize Rs. 20000.

Deficiency of any partner in Capital Account is to be met by other partners in profit sharing ratio. P is insolvent; R can bring in Rs. 5000 only.

Prepare necessary accounts in the books of the firm.

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6. On 1.1.2019 r & Co. purchase a motor car from A Ltd. on hire purchase system. At the time of agreement a sum of Rs. 24000 was paid out of the cash down price of the car and the balance would be payable in three equal annual instalments payable on 31st December together with interest @5% p.a. The amount of the last instalment including interest was 33600. Depreciation was provided at 10% p.a. on the reducing balances.

Show the Motor Car Account and Auto Ltd. Account in the books of R & Co.

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7. S, D and B are partners in a firm, sharing profits and losses in the ratio of 3:2:1 respectively. The Balance Sheet of the firm as on 31st December, 2019 is as given below:

Liabilities	Rs.	Assets	Rs.
Capital:		Cash at bank	5000
S	60000	Cash in hand	2000
D	40000	Debtors	50000
B	20000	Stock	25000
Creditors	30000	Bills receivable	8000
		Plant and Equipment	60000
	150000		150000

The partners agreed to sell the business to a limited company which was incorporated with 65000 shares of Rs. 10 each. The purchasing company agrees to take over the assets and liabilities and discharge the purchase consideration by issue of 8250 shares of Rs. 10 each and cash Rs. 56000. The cost of dissolution Rs. 2500 is paid by the firm and the balance amount of cash is distributed among the partners.

You are asked to prepare Journal Entries and necessary Ledger Accounts in the books of the Firm and close the books of the firm.

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