

**B.Com Semester III (G)**

**Internal Assessment**

**Financial Accounting-II**

**Paper:CC3.1Cg**

**Full Marks: 10**

Answer any one

1. G and M are partners sharing profit/losses as 4:3. They admit L as a new partner on payment of Rs. 40000 as capital and proportionate amount as premium for goodwill. The total value goodwill is estimated to be Rs. 21000. The new profit sharing ratio is agreed to be 7:5:3. Show the journal entries. 10
2. S. Bros. purchased a machine on 1.1.2019 on hire purchase basis from Patel Traders, the Cash Price being Rs. 15000. An initial payment of Rs. 2000 is to be paid on signing the hire purchase contract and the balance in five equal instalments of Rs. 3000 each at the end of each year. Interest is to be paid @ 5% p.a..

Calculate the interest payable over the instalments.

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**B.Com Semester III (G)**

**Financial Accounting-II**

**Paper:CC3.1Cg**

**Full Marks: 80**

**Answer any four**

1. Following information relates to Madurai Branch:

|   |              |       |
|---|--------------|-------|
| Stock on 1 <sup>st</sup> January, 2019          |              | 11200 |
| Branch Debtors on 1 <sup>st</sup> January, 2019 |              | 6300  |
| Goods sent to Branch                            |              | 51000 |
| Cash sent to Branch for: Rent                   | 1500         |       |
| Salaries  | 3000         |       |
| Petty Cash_                                     | <u>500</u>   | 5000  |
| Sales at Branch: Cash                           | 25000        |       |
| Credit  | <u>39000</u> | 64000 |
| Cash received from Debtors                      |              | 41200 |
| Stock on 31 <sup>st</sup> December 2019         |              | 13600 |

Prepare the Branch Account for the year 2019 20

2. Mr. X furnishes the following details relating to his holding in 6 percent Government Bonds:  
Opening Balance as on 1.1.2019 face value Rs. 60,000. Cost Rs. 59,000.

1.03.19 100 units purchased ex-interest at Rs. 98.

1.07.19 Sold 200 ex-interests out of the original holding at Rs. 100.

1.10.19 Purchased 50 units at Rs. 98 cum-interest

1.11.19 Sold 200 units ex-interest at Rs. 99 out of the original holding

Interest dates are 30th September and 31st March.

Mr Investor closes his books every 31st December.

Show the Investment account as it would appear in his books. 20

3. M/s Z & Co. has two departments. You are requested to prepare the Trading and Profit & Loss Account for each department for the year ended on 31 March, 1993 on the basis of following information:

|                            | Dept.I(Rs.) | Dept.II(Rs.) |
|----------------------------|-------------|--------------|
| Opening Stock (1.4.2019)   | 25000       | 20000        |
| Purchases                  | 230000      | 190000       |
| Sales                      | 633000      | 492000       |
| Sales Returns              | 3000        | 2000         |
| Closing Stock on 31.3.2020 | 30000       | 18000        |
| Wages                      | 80000       | 60000        |
| Salaries                   | 40000       | 25000        |

Other common expenses: Rent—Rs. 15000; Electricity—Rs. 6000; Depreciation—Rs. 18000; Selling Expenses—Rs. 8000

Some other relevant information are given below:

|                       | Dept.I(Rs.) | Dept.II(Rs.) |
|-----------------------|-------------|--------------|
| Light Points          | 18          | 9            |
| Value of Assets (Rs.) | 150000      | 120000       |
| Floor Area (sq. ft)   | 300         | 200          |

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4. J and B are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as on 31.12.2019 was as given below:

| Liabilities      | Rs.           | Assets            | Rs.           |
|------------------|---------------|-------------------|---------------|
| Sundry creditors | 25000         | Plant & Machinery | 45000         |
| reserve Fund     | 82500         | Building          | 80000         |
| J's Capital      | 60000         | Stock             | 50000         |
| B's Capital      | 40000         | Sundry Debtors    | 30000         |
|                  |               | Bank Balance      | 2500          |
|                  | <b>207500</b> |                   | <b>207500</b> |

On 1.1.2019 they agreed to admit A as a partner on the following terms: (i) Plant & Machinery is to be depreciated @10%; Building is to be appreciated by 25%; Stock is be valued at Rs. 60000 and a Provision for Bad Debts on Debtors @5% is to be created; (ii) Reserve fund is to be appropriated by the old partners; (iii) A is to pay Rs. 15000 as premium for goodwill for his 1/5th share in the future profits of the firm. He is also to bring in as his capital 1/4<sup>th</sup> of the combined capital of J and B after the above adjustments.

Prepare: (i) revaluation Account; (ii) Partner's Capital Accounts and (iii) Balance Sheet of the new firm. 20

5. P, Q and R were partners sharing profits and losses equally. They decided to dissolve their firm on 31.12.2019 when their Balance Sheet stood as follows:

| Liabilities | Rs.          | Assets       | Rs.          |
|-------------|--------------|--------------|--------------|
| Capital:    |              | Cash at bank | 4000         |
| P           | 28000        | Debtors      | 11000        |
| Q           | 21000        | Stock        | 15000        |
| R           | 5000         | Machinery    | 40000        |
| Creditors   | 16000        |              |              |
|             | <b>70000</b> |              | <b>70000</b> |

The machinery was sold for Rs. 28000 and the stock realized only  $\frac{1}{3}^{\text{rd}}$  of its book value. All the book debts proved bad. The creditors allowed discount Rs. 500. The expenses of realization amounted to Rs. 3500. R became insolvent and nothing could be realised as surplus from his estate.

Close the books of the firm. 20

6. R Ltd purchased a Motor Van on hire purchase from S Ltd. on 1.1.2019. The terms of payment were Rs. 23000 on delivery, Rs. 11700 at the end of the first year, Rs. 10800 at the end of the second year and Rs. 9900 at the end of the third year including interest. R Ltd. charged depreciation at 10% p.a. under diminishing balance method. Assume that S Ltd. charged interest @10% p.a. on the outstanding amount at the beginning of each year.

Show S Ltd. Account and Motor Van Account in the books of R Ltd. 20

7. G Ltd. was incorporated on 1.8.2019. It took over the business of M/s S and S with effect from 1.4.2019. Ascertain the profit prior to incorporation and the profit after incorporation from the following figures related to the year ending 31<sup>st</sup> march 2020.

- Sales for the year were Rs. 6000000 which included sales up to 1.8.2019 Rs. 2500000.
- Gross Profit for the year was Rs. 1800000.
- The expenses debited to profit and loss account were as follows:

|                       | Rs.    |
|-----------------------|--------|
| Rent                  | 84000  |
| Salaries              | 150000 |
| Director's Fees       | 38000  |
| Interest on debenture | 30000  |
| Audit Fees            | 15000  |

|   |        |
|---|--------|
| Discount allowed  | 36000  |
| Depreciation  | 240000 |
| General expenses  | 48000  |
| Printing and stationery   | 36000  |
| Advertising   | 180000 |
| Salesman's Commission   | 60000  |
| Interest to vendors on purchase consideration (up to 1.10.2019) | 30000  |
| Bad Debts (including Rs. 6000 up to 1.8.2019)                   | 16000  |