

BCom DEGREE EXAMINATION MAY 2019
(Second Semester)

Branch – **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

FINANCIAL ACCOUNTING / FINANCIAL ACCOUNTING – II

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10 x 1 = 10)

- 1 Consignor and consignee relationship is that of
 - (i) Buyer and Seller
 - (ii) Principal and Agent
 - (iii) Debtors and Creditor
 - (iv) Partners
- 2 Joint venture account is a
 - (i) Personal a/c
 - (ii) Real a/c
 - (iii) Nominal a/c
 - (iv) Both (i) & (iii)
- 3 Royalty is the agreement between the following persons
 - (i) Seller and Buyer
 - (ii) Banker & Customer
 - (iii) Trustee and Beneficiaries
 - (iv) Landlord and Tenant
- 4 When short workings are to be recovered, the account to be debited is
 - (i) Landlord account
 - (ii) Short workings account
 - (iii) P & L account
 - (iv) None of these
- 5 A bill of exchange put into circulation in order to raise money by discounting it is an
 - (i) Trade bill
 - (ii) Accommodation bill
 - (iii) Documentor of bill
 - (iv) Renewal of bill
- 6 The method of account current usually employed by the banker is known as
 - (i) Daily balance method
 - (ii) Red ink interest
 - (iii) Current a/c
 - (iv) Epoque method
- 7 Under which system, ownership is transfer on payment of final installment?
 - (i) Installment system
 - (ii) Credit system
 - (iii) Hire purchase system
 - (iv) Cash system
- 8 If the hire purchaser fails to make payment of any installment, it is called
 - (i) Default
 - (ii) Repossession
 - (iii) Sale
 - (iv) Purchase
- 9 Under branch accounts debtors system, the depreciation of an asset is
 - (i) Show in debtors account
 - (ii) Shown in debit side of branch account
 - (iii) Not shown in branch account
 - (iv) Shown in credit side of branch account
- 10 When goods are transferred from one department to other department, they are called
 - (i) Inter-departmental transfers
 - (ii) Outer-departmental transfers
 - (iii) Not a transfer
 - (iv) Regular transfer

SECTION - B (35 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks

(5 x 7 = 35)

- 11 a Sayee send 400 kilos of edible oil at Rs. 40 per kilo to Sekar. Freight and insurance amounted to Rs. 500. On the way, 20 kilo oil were spoiled. Sekar took delivery of the consignment and spent Rs. 1,900 for Octroi and carriage inwards. In addition he also spent Rs. 2,000 as recurring expenses.

You are required to calculate the value of abnormal loss and unsold stock at the end, if Sekar sells 300 kilos of oil.

OR

- b Arun and Babu were partners in joint ventures sharing profits and losses in the ratio of 3:2. Arun supplied goods for Rs. 6,000 and incurred Rs. 200 as expenses. Balu supplied goods worth Rs. 5,000 and spent Rs. 300 as expenses. Balu sold all the goods for Rs. 18,000. Balu is entitled to a commission of 4% on sales. He settled his account by sending a bank draft to Arun. Prepare joint venture account in the book of the Arun.

12 a Write a full note on short working.

(i) Dead rent (ii) Short working (iii) Royalty suspense account.

OR

b What do you mean by recoupment of short workings? Explain its types.

13 a Distinguish between trade bill and accommodation bill.

OR

b Kannan purchased goods from Raman, the due dates for payment in cash being as follows:

Date	Rs.	Due date
March 15, 2010	1,000	June 18, 2010
April 21, 2010	1,500	May 24, 2010
April 27, 2010	500	June 30, 2010
May 15, 2010	600	July 18, 2010

Raman agreed to draw a bill for the total amount due on the average due date. Ascertain that date.

14 a Mr. A purchased a machine on hire purchase basis. The cash price of the machine was Rs. 18,000. As per the terms, the buyer had to pay Rs. 4,000 on signing the agreement and the balance in four installments of Rs. 4,000 each, payable at the end of each year. Calculate the interest chargeable at the end of each year.

OR

b Sundar sells goods on hire purchase system at cost plus 60%. From the following prepare hire purchase trading account.

		Rs.
Jan. 1	Goods out on HP system at HP price	32,000
Dec. 31	Instalments not due and unpaid	72,000
	Installment due and unpaid	4,000
The following transactions took place during the year :		
a.	Goods sold on HP price	1,60,000
b.	Cash received from customers at HP price	1,12,000
c.	Goods received back on default valued at (installment due Rs. 4,000)	800

15 a The Calcutta trading Co. Ltd opened a branch at Banglore on 1st April 2013. From the following information, prepare Banglore Branch account in the head office books.

		Rs.
	Goods sent to branch	40,000
	Cheques sent to branch for :	
	Rent	4,000
	Salaries	5,000
	Other expenses	2,000
	Cash received from branch	60,000
	Stock on 31 st March 2014	8,000
	Petty cash on hand 31 st March 2014	150

OR

b A company has two departments, P and Q. From the following particulars, prepare departmental Trading & Profit and Loss account for the year ending 31-3-2015.

Particulars	Dept. P (Rs.)	Dept. Q (Rs.)
Opening stock	1,00,000	---
Purchases	23,00,000	2,00,000
Goods from department P	--	7,00,000
Wages	1,00,000	1,60,000
Traveling expenses	10,000	1,40,000
Closing stock	8,00,000	1,80,000
Sales	23,00,000	15,00,000
Printing and Stationery	20,000	16,000

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

Satyanaarayana of Kanchi has consigned 1000 machines to Appalawamy of Madras. Invoice price is Rs. 250. Appalawamy pays Rs. 600 towards packing and despatch. Satyanarayana receives the consignment and immediately accords Appalawamy's bill for Rs. 12,000. Later, Satyanarayana informs Appalawamy that 113 machines have been sold at Rs. 312 each. He paid freight Rs. 250, Advertisement Rs. 80; Insurance Rs. 40 and Carriage Rs. 20. He is entitled to a commission of 6% on sales and 2½ % as del credere commission. Give necessary ledger accounts in the books of both the parties.

- 17 Ram Co. Ltd leased a property from Arun at a royalty of Rs. 1.50 per ton with a minimum rent Rs. 2,000 per annum. Each year's excess of minimum rent over royalties is recoverable out of the royalties of the next five years. In the event of a strike and the minimum rent not being reached, the lease provided that minimum rent would stand reduced proportionate to the time actually worked.

The results of the working were as follows:

Year ended 31 st December	Actual Royalties (Rs.)
2009	Nil
2010	650
2011	1,850
2012	2,250
2013	3,500
2014 (strike for 4 months)	1,200
2015	3,000

Prepare the Royalty account, short working account and Arun's account in the books of the Ram Co. Ltd.

- 18 Kali owed to Venu Rs. 12,000 on 1-1-2009. On the same date Venu drew upon Kali a bill for the amount at 2 months and Kali returned the bill duly accepted. Venu got the bill discounted at his bank at 6% p.a. Before the bill was due for payments Kali told Venu that he was not able to pay the full amount and requested Venu to accept Rs. 4,500 immediately and draw upon him another bill for the remaining amount for two months together with interest at 8% p.a. Venu agreed. The second bill was duly met. Give journal entries in the books of Venu and Kali.

- 19 X purchased a truck for Rs. 1,60,000 on hire purchase from Y on 1.1.2012. Payment to be made Rs. 40,000 down and Rs. 46,000 at the end of the first year; Rs. 44,000 at the end of second year and Rs. 42,000 at the end of third year. Interest was to be charged at 5%. X depreciated the truck at 10% p.a. on written down value method.

X after having paid down payment and first installment could not pay the second installment. Y took possession of the truck and after spending Rs. 4,000 on repairs of the asset, sold it away for Rs. 91,500.

Give ledger accounts in the books of both parties.

- 20 The Calcutta commercial company invoiced goods to its Jamshedpur branch at cost. The head office paid all the branch expenses from its bank except petty cash expenses which were paid by the branch. From the following details relating to the branch, prepare Branch Stock a/c, Branch Debtors a/c Branch Expenses a/c and Branch P & L a/c.

Stock (opening)	Rs. 21,000	Discount to customer	Rs. 4,200
Debtors (opening)	37,800	Bad debts	1,800
Petty cash (opening)	600	Goods returned by customer to branch	1,500
Goods sent from HO	78,000	Salaries & Wages	18,600
Goods returned to HO	3,000	Rent & Taxes	3,600
Cash sales	52,500	Debtors (Closing)	29,400
Advertisement	2,400	Petty cash (closing)	300
Cash received from debtors	85,500	Credit sales	85,200
Stock (closing)	19,500		
Allowances to customers	600		

Z-Z-Z

END