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 **D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE-1**

**SEMESTER EXAMINATIONS**

 **APRIL - 2017 15CACO2A / CACO2A**

**ALLIED : ACCOUNTING FOR BUSINESS - II**

**Time : 3 Hours Max. Marks : 75**

**Section – A (10 x 2 = 20)**

**Answer ALL the questions.**

1. What is Branch Accounting?
2. What is a Dependent Branch?
3. What are departmental accounts?
4. Write any two objectives of departmental accounts.
5. Who is Hire Vendor?
6. What is down payment?
7. Define Partnership.
8. What is partnership deed?
9. What is mechanized system of accounting?
10. What is EDP?

**Section – B ( 5 x 5 = 25 )**

**Answer any Five of the following questions.**

1. From the following particulars relating to Delhi branch for the year ending 31st March 2003, prepare branch account in the Head Office books.

|  |  |  |  |
| --- | --- | --- | --- |
| **Balances as on 1-4-2002:** |  |  |  |
| Stock at the branch  |  15,000 | Credit sales during 2002 - 03 | 2,28,000 |
| Debtors at the branch |  30,000 | **Cheques sent to branch** |  |
| Petty cash at the branch |  300 | **During the year:** |  |
| Good sent to branch during the year  | 2,52,000 | For salaries 9,000 |  |
| **Remittances from the branch:** |  | For rent & taxes 1,500 |  |
| For cash sales 60,000 |  | For petty cash 1,100 | 11,600 |
| Rd from Drs. 2,10,000 | 2,70,000 | **Balance as on 31-3-2003:** |  |
| Goods returned by the branch  |  2,000 | Stock at the branch  | 25,000 |
|  |  | Petty cash | 200 |
|  |  | Debtors | 48,000 |

1. A firm has two departments - Piece - goods and Readymade dresses. All goods purchased by the readymade departments from Piece - Goods department are charged at the usual selling price. From the following particulars prepare departmental trading accounts for the year ended Dec. 31, 2005.

|  |  |  |
| --- | --- | --- |
|  -  | Piece Goods (Rs.) | Readymade (Rs.) |
| Stock | 1,00,000 | 25,000 |
| Purchase  | 10,00,000 | 7,500 |
| Sales | 11,00,000 | 2,25,000 |
| Transfer to Readymade | 1,50,000 | - |
| Expenses: |  |  |
| Manufacturing  | - | 30,000 |
| Selling  | 10,000 | 3,000 |
| Stock on 31-12-2005 | 1,00,000 | 30,000 |

 The stocks in the Readymade department be considered as consisting of 75% cloth supplied from

 Piece - goods Dept. and 25% expenses and cloths from outside. The Piece - goods department earned

 gross profit in 2004 at the same rate as in 2005. General expenses of the business as a whole in 2005

 amounted to Rs.45,000.

1. On 1st January, 2000 M/s XYZ & Co., took delivery from ABC Co., Ltd., of a machine on hire - purchase system, Rs.1,500 being paid on delivery and the balance in five instalments of Rs.3,000 each, payable annually on 31st December. The cash price of the machine was Rs.15,000. Calculate the amount of interest for each year.
2. A and B are partners in a business sharing profits in the ratio of 5 : 3. They decide to admit C in to the firm giving him 1/6th share. Calculate the new profit sharing ratio and sacrificing ratio of the partners.
3. Explain the elements of Electronic Data Processing.
4. M/s. Rohit brothers are having their Head Office at Delhi and branch at Meerut. The following are the transactions of the Head Office with the branch for the year ended 31st August, 2002. Prepare Meerut branch account.

|  |  |
| --- | --- |
| Stock at branch as on 1.9.2001 | 30,700 |
| Debtors at the branch as on 1.9.2001 | 16,500 |
| Petty cash as on 1.9.2001 | 500 |
| Good supplied to the branch | 1,51,200 |
| Remittances from branch: |  |
| Cash sales 10,500 |  |
| Realization of debts. 1,67,740 | 1,78,240 |
| Amount sent to branch: |  |
| Salary 7,400 |  |
| Rent 2,400 |  |
| Petty cash 3,000 | 12,800 |
| Stock at branch as on 31.8.2002 | 23,150 |
| Sundry debtors as on 31.8.2002 | 50,460 |
| Petty cash as on 31.8.2002 |  750 |

1. ‘P’ Purchased 4 cars of Rs.14,000 each on the hire purchase system. The hire purchase price for all the four cars was Rs.60,000 to be paid as Rs.15,000 down payment and three instalments of Rs.15,000 each at the end

of each year. Interest is charged at 5% per annum. The buyer depreciates car at 10% per annum on the straight line methods. Pass journal entries in the books of P.

1. A, B and C are partners in a business, sharing profit and losses in the ratio of 3 : 2 : 1. Their balances sheet on 30th June, 2002 was as follows.

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Rs. | Assets | Rs. |
| Sundry Creditors  | 1,600 | Cash in Hand |  600 |
| Reserve Fund | 6,000 | Cash at bank |  1,000  |
| Capital : |  | Sundry Debtors |  9,000 |
|  A  | 10,000 | Stock - in - Trade | 7,000 |
|  B  | 10,000 | Machinery | 6,000 |
|  C | 10,000 | Factory Building | 14,000 |
|  | 37,600 |  | 37,600 |

 On that date C retires from business. It is agreed to adjust the value of assets as follows:

 a) to make a provision of 5% on Sundry debtors for doubtful debts.

 b) to depreciate stock by 5% and machinery by 10%.

 c) factory buildings to be revalued at Rs.15,100.

 Show the Revaluation account and the partners’ capital account.

**Section – C ( 3 x 10 = 30 )**

**Answer ALL the questions.**

1. (a) Tip Top Co., Delhi has a branch at Calcutta. It invoices goods to the branch at selling price which is cost

plus 33 1/3%. From the following particulars prepare branch account at cost price and also branch debtors

account and goods sent to Branch account in the books of Tip Top Co., Delhi.

|  |  |
| --- | --- |
| Stock on 1.1.1998 (invoice price) | Rs.15,000 |
| Debtors on 1.1.1998 |  11,400 |

 Goods invoiced to branch during the year at invoice price Rs.67,000

|  |  |  |
| --- | --- | --- |
| Sale at branch: |  Rs. |  Rs. |
| Cash: | 31,000 |  |
| Credit: | 37,400 |  |
| Cash receive from Debtors |  | 68,400 |
| Discount allowed to customers |  | 300 |
| Bad Debt. Written off |  | 250 |
| Cheque sent to branch - salaries | 5,000 |  |
| Sundry Expenses | 1,700 | 6,700 |
| Stock on 31.12.1998(invoice price) |  | 13,400 |

(Or)

 (b) The following purchases were made by a business house having three departments.

 Department A 1,000 Units

 Department B 2,000 Units at a total cost Rs.1,00,000

 Department C 2,400 Units

 Stocks on 1st Jan were:

 Department A 120 Units

 Department B 80 Units

 Department C 152 Units

 The Sales were:

 Department A 1020 Units @ Rs.20 each

 Department B 1920 Units @ Rs.22.50 each

 Department C 2496 Units @ Rs.25 each.

 The rate of Gross Profit is same in each case. Prepare Departmental Trading Account.

1. (a) X Purchased a machine on Hire - purchase system. The total cash price of the machine is Rs.31,960,

 payable Rs.8,000 down and three instalments of Rs.12,000, Rs.10,000 and Rs.4,000 payable at the end of

 the first, second and third year respectively. Interest is charged at 5% p.a. Charge depreciation at 10% on

 straight line method. Prepare ledger accounts in the books of X.

(Or)

 (b) A, B and C were partner sharing profits in the ratio of 2:1:1 respectively. Their balance sheet on 31-12-90

 was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Rs. | Assets | Rs. |
| Capital Accounts: |  | Building  | 3,00,000 |
| A | 3,00,000 | Loan to A | 90,000 |
| B | 1,80,000 | Stock | 1,65,000 |
| C | 1,20,000 | Sundry Drs. | 1,35,000 |
| Sundry Creditors | 1,20,000 | Cash at Bank | 30,000 |
|  | 7,20,000 |  | 7,20,000 |

 A died on 1-1-91 the firm had effected insurance for Rs.3,00,000 on the joint lives of the three partners

 and the amount of policy was realized on 1-2-91 according to the partnership agreement, the goodwill was

 to be calculated at 2 years purchase on the average profit of 3 completed years proceeding the death.

 The deceased partner’s share of capital and goodwill etc was paid in cash on 1-3-90 the available cash

 balance being supplemented by loan from the firm’s bankers on the security of building.

 The net profits were:

 In 1988 - Rs.2,10,000; In 1989 - Rs.2,00,000; In 1990 - Rs.1,30,000. Prepare New Balance Sheet.

1. (a) Discuss the advantages of computerized accounting system.

 (Or)

 (b) A, B and C were in equal partnership. Their balance sheet as on 31.12.2005 was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  Liabilities | Rs. | Assets | Rs. |
| Capital A | 15,000 | Furniture  |  9,000 |
|  B |  9,000 | Debtors | 60,000 |
| A’s Loan |  30,000 | Stock | 72,000 |
| Creditors |  1,20,000  | Cash at bank | 3,000 |
|  |  | C’s capital | 30,000 |
|  | 1,74,000 |  | 1,74,000 |

1. Owning to the inability of the firm to pay off its creditors, the partner decided to dissolve the

 firm as from the above date.

1. Stock realizes Rs.45,000; debtors Rs.48,000; furniture Rs.3,000.
2. The dissolution expenses amounted to Rs.9,000
3. B and C cannot pay anything. A can contribute only Rs.4,500 from the private estate.

Prepare the necessary accounts to close the books of the firm.

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