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D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS)
SEMESTER EXAMINATIONS
APRIL - 2019
FINANCIAL ACCOUNTING - II

Time : 3 Hrs

SECTION-A (10 x 2 =20)

Answer ALL the questions.

1. What is Branch Accounting?
2. What are the different kinds of branches?
3. What do you mean by interdepartmental transfers?
4. Apportion the following expenses on the basis of cost of goods sold ratio
A, B, C & D.

Sales: A - Rs.2,00,000;

B - Rs.1,50,000;

C - Rs.1,00,000 &

D - Rs.50,000

G.P ratio: 20% on sales

Expenses: Salaries - Rs.6,000 , Insurance - Rs.1,300.

5. What do you mean by repossession in hire purchase?
6. Distinguish between Hire purchase and Instalment system (any two points)
7. X & Y are partners sharing profits in the ratio of 3:2. They admit Z as a partner for a share in future profits. Calculate new ratio.
8. Explain meaning of gaining ratio.
9. What do you mean by dissolution of partnership firm?
10. Who is an insolvent partner?

SECTION-B (5 x 5 =25)

Answer any FIVE of the following questions.

11. State the difference between Branch and Departmental Accounting.
12. A company has 2 departments A and B Department A supplies goods to Department B

14. Sandy Shoe Company opened a branch at Madras on 1/1/14. From the following particulars, prepare the Madras branch account for the year 2014 & 2015

	2014 (Rs.)
Goods sent to Madras Branch	15,000
Cash sent to branch for	
Rent	1,800
Salaries	3,000
Other expenses	1,200
Cash received from branch	24,000
Stock on 31 st December	2,300
Petty cash in hand on 31 st December	40

15. A firm earned net profit during the last three years as the following :

I year – Rs.36,000

II year - Rs.40,000

III year - Rs.44,000

The capital investment of the firm is Rs.1,20,000. A fair return on the capital involved is 10%. Calculate the value of goodwill on the basis of three years' profits.

16. Explain the objectives of Branch Accounting.

17. From the following distribute cash under proportionate capital method:

Capital of A: Rs. 20,000, B: Rs.10,000. Profit sharing ratio 3:2

I Instalment (Cash) Rs.5,000

II Instalment (Cash) Rs.2,000

III Instalment (Cash) Rs.1,000

18. Karthik and Sarathy were partners in a firm sharing profits in the ratio of 2/3 and 1/3 share. What would be their new profits ratio in each of the following
- If Das acquired his share equally from old partners
 - If Das acquired 3/12 from Karthik and 1/12 from Sarathy.

(b) The following purchases were made by a business house having the

Dept. A - 1,000 units	}	at a total cost of Rs.1,00,000
Dept. B - 2,000 units		
Dept. C - 2,400 units		

Stocks on 1st January were :

Dept. A - 120 units,

Dept. B - 80 units,

Dept. C -152 units

Sales were:

Dept. A - 1020 units at Rs.20 each

Dept. B - 1920 units at Rs.22.50 each

Dept. C - 2496 units at Rs.25 each

The rate of gross profit is the same in each case. Prepare Departmental

20. (a) On 1.1.2015, Ram & Co., Chennai, a television dealer, bought Five T.V. sets from a company on hire - purchase basis. Cash price of each set was Rs.25,000. Rs.25,000 should be paid immediately and the balance in three instalments of Rs.25,000 at the end of each year. Interest is charged by the vendor at 10% p.a. on the outstanding T.V.sets at 20% p.a on diminishing balance method.

Ram & Co., could not pay the last instalment. The vendor repossessed the amount due after depreciating them at 30% on written down value. The repossessed sets for Rs.30,000 after incurring repairs of Rs.5,000.

Prepare necessary accounts in the books of both the parties.

(Or)

(b) A & B are partners sharing profits in the proportion of 3:1. On 31/12/2015, the balance sheet stood as follows:

Liabilities	Rs.	Assets	
Creditors	37,500	Bank	
General Reserve	4,000	Bills Receivable	
A's Capital	30,000	Debtors	

21. (a) The following is the balance sheet of Arun, Babu, Cheran and David shared profits and losses in the ratio of 4:3:2:1

Liabilities	Rs.	Assets	
Capital		Fixed Assets	
Arun	15,000	Current Assets	
Babu	10,000	Goodwill	
Cheran	1,500	David's Capital	
Sundry Creditors	5,000		
	31,500		

David has no separate assets and liabilities. The partnership business. Fixed assets realized Rs.15,000 and current assets will is valueless. Realisation expenses amount to Rs.1,500. Rs.250 from his separate resources. Prepare necessary accounts Murray assuming that both Cheran and David have become insolvent.

(Or)

(b) A, B and C are partners sharing profits and losses in the ratio of 3:2:1 balance sheet stood as under:

Liabilities	Rs.	Assets	Rs.
A's Capital	1,40,000	Land and Building	1,00,000
B's Capital	1,00,000	Stock	50,000
C's Capital	80,000	Debtors	1,00,000
Creditor	80,000	Bank	50,000
		Furniture	70,000
		Bills Receivable	20,000
	<u>4,00,000</u>		<u>4,00,000</u>