

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

JUNE - 2022

19CAC04B

ALLIED : FINANCIAL ACCOUNTING - II

Time : 3 Hrs

Max.Marks : 75

SECTION-A (10 x 2 = 20)

Answer ALL the questions.

1. What are the different kinds of branches?
2. What do you mean by invoice price?
3. Explain interdepartmental transfer?
4. Apportion the following expenses on the basis of cost of goods sold ratio among four departments 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. X & Y are partners sharing profits in the ratio of 3:2. They admit Z as a partner for 1/5th share in future profits. Calculate new ratio.
6. Define partnership.
7. X, Y & Z are partners sharing profits in the ratio of 3:2:5. Z retires and on that date the firm's goodwill is valued at Rs.80,000. Pass necessary journal entry to adjust goodwill at the time of retirement.
8. Explain Garner Vs Murray Rule.
9. What do you mean by dissolution?
10. Who is an insolvent partner?

SECTION-B (5 x 5 = 25)

Answer ALL the questions.

11. (a) Journalise the following transactions in the books of Head Office. Head Office accounts are closed on 31st March of each year.
 - (i) Cash remitted by the branch Rs.60,000 not received by Head Office upto 31st March.
 - (ii) H.O has charged Rs.5000 as depreciation on branch accounts.
 - (iii) Salary paid by the branch to visiting official of H.O Rs.10,000
 - (iv) Goods in transit Rs.1,000.

(Or)

- (b) Maya bag company opened a branch at Chennai on 1/1/18. From the following particulars, prepare the Chennai branch account for the year 2018 & 2019.

	2018 (Rs.)	2019 (Rs)
Goods sent to Chennai Branch	30,000	90,000
Cash sent to branch for		
Rent	3,600	3,600
Salaries	6,000	10,000
Other expenses	2,400	3,200
Cash received from branch	48,000	1,20,000
Stock on 31 st December	4,600	11,200
Petty cash in hand on 31 st December	80	60

12. (a) A company has 2 departments A and B Department A supplies goods to department B at its usual selling price. From the following figures prepare Departmental trading account for the year 2015.

	Dept A (Rs)	Dept B (Rs)
Opening stock (1/1/2015)	30,000	--
Purchases	2,10,000	--
Transfer to B	50,000	50,000
Sales	2,00,000	60,000
Closing stock	40,000	10,000

(Or)

- (b) State the difference between Branch and Departmental Accounting.

13. (a) Anju and Manju share profits in the ratio of 3:2. They admit Sanju as a new partner, Sanju brings Rs.40,000 for capital and Rs.32,000 for goodwill. Half of the goodwill amount is withdrawn by Anju and Manju. Pass journal entries. The new profit-sharing ratio is 7:5:4.

(Or)

- (b) 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

Calculate the value of goodwill on the basis of three years purchase of 3 years average profits.

14. (a) A, B & C are partners in a firm, sharing profits & losses in the ratio of 5:3:2. B retires and B's share of profits is taken up by A and B in their profit-sharing ratio. Calculate new profit-sharing ratio.

(Or)

- (b) X, Y and Z are partners sharing profits and losses in the ratio 2:1:1. Z dies on 15.3.2005. Sales from 1.1.2005 to 15.3.2005 – Rs.60,000. Sales for 2004- Rs.2,40,000: profit for 2004-Rs.48,000. Calculate Z's share of profit on the basis of turnover.

15. (a) From the following distribute cash under proportionate capital method:

Capital of A: Rs.80,000, B: Rs.40,000. Profit sharing ratio 3:2

I Instalment (Cash) - Rs.20,000

II Instalment (Cash) - Rs. 8,000

III Instalment (Cash) - Rs. 4,000

(Or)

- (b) A, B and C are partners sharing profits and losses in the ratio of 2:2:1 respectively. B is insolvent and his estate is unable to contribute anything. You are required to pass two journal entries as per Garner Vs Murray rule from the following information:

Realisation loss Rs.1,20,000

Deficiency in B's A/c Rs. 22,000

Capital Ratio of A and C : 73:25

SECTION-C (3 x 10 = 30)**Answer any THREE of the following questions.**

16. A head office invoices goods to its branch at a cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the H.O. From the following particulars, prepare the necessary accounts on the stock and debtors system to show the profit or loss at the branch.

	Rs.		Rs.
Stock on 1.1.16 (invoice price)	27,600	Goods returned by debtors	3,600
Debtors On 1.1.16	20,400	Goods returned to H.O. by branch	4,500
Goods invoiced to the branch (invoice price)	1,53,000	Shortage of stock	1,350
Cash sales	75,000	Discount allowed	600
Credit sales	93,000	Expenses at branch	16,200
Cash collected from debtors	91,200	Bad debts	600

17. The following purchases were made by a business house having 3 departments at a total cost of Rs.1,00,000.

Dept. A - 1,000 units,
 Dept. B - 2,000 units,
 Dept. C - 2,400 units,

Opening 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 trading account.

18. Hari & Ravi are partners sharing profits in the proportion of 1:1. On 31/12/16 their balance sheet stood as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	66,000	Bank	1,300
Hari's Capital	30,000	Debtors	9,700
Ravi's capital	20,000	Stock	20,000
		Machinery	35,000
		Building	50,000
	1,16,000		1,16,000

They admit Suraj into partnership for 1/6th share in profits of the firm from 1st January, 2017 subject to the following terms:

- (a) That Suraj pays Rs.15,000 as his capital.
- (b) That the value of stock and machinery be depreciated by 10%.
- (c) That provision of 5% reserve for doubtful debts on debtors be made.
- (d) Buildings be appreciated by Rs.9,500

Prepare (i) Revaluation a/c (ii) Capital a/c (iii) Balance sheet after Suraj's admission.

19. A, B and C are partners sharing profits and losses in the ratio of 3:2:1. On 30/09/2010 their balance sheet stood as under:

LIABILITIES	Rs	ASSETS	Rs
A's Capital	1,40,000	Land and Buiding	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	75,000
		Bills Receivable	25,000
	4,00,000		4,00,000

B retires from partnership from 1/10/2010 subject to the following terms:

- a) Land and building to be appreciated by 10%
- b) Depriciate stock by 10%
- c) Create 10% for Doubtful debt on Debtor
- d) Goodwill is valued at Rs.96,000.

Prepare (i) Revaluation account & (ii) Partner's capital account & (iii) Balance sheet

20. The following is the balance sheet of A, B, and C sharing profits and losses in the ratio of 4:3:2 . Their balance sheet on 31/12/2017 stood as follows:

Liabilities	Rs.	Assets	Rs.
Capital		Cash	15,000
A	40,000	Debtors	10,000
B	20,000	Stock	20,000
C	5,000	Land & Building	55,000
Sundry Creditors	35,000		
	1,00,000		1,00,000

The partners agree to dissolve partnership as from 31/12/2017. A agrees to take over the stock at a valuation of Rs.15,000 and the debtors at a valuation of Rs.7,000 (no cash passes). Land and Building is sold at Rs.27,000. Close the books of the firm by preparing necessary accounts.

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