

BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, MARCH 2025**2023 ADMISSIONS SUPPLEMENTARY****SEMESTER II - CORE COURSE COMMERCE****CO2C04B23 - Financial Accounting II****Time : 3 Hours****Maximum Marks : 80****Part A****I. Answer any Ten questions. Each question carries 2 marks****(10x2=20)**

1. Briefly explain partial repossession.
2. Describe any 2 features of hire purchase.
3. Distinguish between cash price and hire purchase price.
4. Illustrate Inter branch transactions.
5. Explain about Branch Accounting.
6. Explain General P&L Account.
7. Explain Departmental Trading account.
8. Explain the term 'Dissolution of firm'.
9. List out any two circumstances on dissolution by the order of the Court.
10. Give journal entries for payment of unrecorded liabilities.
11. Explain Revenue Recognition.
12. State any 2 need for Accounting Standard .

Part B**II. Answer any Six questions. Each question carries 5 marks****(6x5=30)**

13. Explain default and repossession in hire purchase along with the types of repossession.
14. On 1st January 2010 Lekshmi bought a machinery of Rs. 6,00,000 from Messers Manish and Sons under hire purchase system on agreement that Rs. 2,00,000 will be paid on signing the agreement and balance in four equal annual instalments with interest @ 15%. Lekshmi could not pay the last instalment and as a result the machinery is repossessed. Depreciation @ 20% under Fixed Instalment is provided for machinery. Prepare Messer Manish and Sons Account in the books of Lekshmi.
15. Discuss the different methods of maintaining accounts of dependent branches.
16. Narayana Ltd. has a branch at Chennai. Goods are sent to Head office at invoice price which is cost plus 25%. From the following particulars, prepare Branch Account.
 - a. When goods are shown at cost price
 - b. When goods are shown at invoice price

Opening Balance:**Rs**

| | |
|---------------------------------------|--------|
| Stock at Invoice price | 11,000 |
| Debtors | 1,700 |
| Petty cash | 100 |
| Goods sent to branch at Invoice price | 20,000 |
| Expenses made by HO: | |
| Rent | 600 |
| Wages | 200 |

| | |
|---|--------|
| Salary | 900 |
| Remittances made by HO: | |
| Cash sales | 2,650 |
| Cash collected from debtors | 21,000 |
| Goods returned by branch at invoice price | 400 |
| Balances at the end: | |
| Stock at Invoice price | 13,000 |
| Debtors | 2,000 |
| Petty cash | 25 |

17. Explain the objectives of departmental accounting.
18. The following purchases were made by a business house having three departments.
 Department A - 1000 units
 Department B - 2000 units
 Department C - 2400 units
 Total cost of purchases were Rs.1,00,000
 Stock on 1st January were:
 Department A -120 units
 Department B - 80 units
 Department C - 152 units
 The sales were :
 Department A- 1020 units at Rs.20 each
 Department B - 1920 units at Rs.22.50 each
 Department C - 2496 units at Rs.25 each
 The rate of gross profit is the same in each case, Prepare Departmental Trading Account.
19. Explain the decision in Garner Vs Murray case.
20. Following is the Balance Sheet of A and B as on 31.12.2017, who were sharing profits and losses in the ratio of 3:1.

Balance Sheet

| LIABILITIES | RS | ASSETS | RS |
|-----------------|--------|--------------------------------------|--------|
| Creditors | 20000 | Cash at Bank | 8000 |
| Loan from A | 16000 | Debtors 40000 Less Provision 1800 | 38200 |
| Loan from Mrs.B | 5000 | Stock | 54800 |
| General Reserve | 20000 | Investments | 20000 |
| Capital: | | | |
| A | 120000 | Machinery | 40000 |
| B | 80000 | | |
| | | Land & Building | 100000 |
| | 261000 | | 261000 |

Partners decided to dissolve the firm on 31.12.2017. Assets realised as follows:

| | |
|-----------------|-----------|
| Stock | Rs.45000 |
| Machinery | Rs.32000 |
| Debtors | Rs.35000 |
| Land & Building | Rs.130000 |

A agreed to take over investments at an agreed value of Rs.15000. Creditors agreed to accept 5% less. Realisation expenses amounted to Rs.1200. There was a computer, which was bought out of the firm's money, was not shown in the books of the firm. It was sold for Rs.5000. Pass Journal entries and prepare Realisation Account, Partner's Capital Accounts, Partner's Loan Account and Bank Account

21. Explain the applicability of Accounting Standard and Ind-AS.

Part C

III. Answer any Two questions. Each question carries 15 marks

(2x15=30)

22. Ravindra Traders purchased a motor car from Nippon Toyota on 1.1.2015 on hire purchase system. The cash price of the motor car was Rs 1,11,700. Rs 30,000 was to be paid on signing the agreement and the balance in three equal instalments of Rs 30,000 each. Interest at 5% p.a. was charged by the vendor. The purchaser decided to write off 10% depreciation annually on the written down value method. The purchaser could not pay the instalment due on 31.12.2015 and as a result of this, the vendor took possession of the motor car and he estimated its value at Rs 55,000 and spent Rs 4,000 for repairing it. Later on, this motor car was sold for Rs 64,000. Prepare the important ledger accounts in the books of Ravindra Traders.

23. The following is the Trial Balance of Pune Branch as on 31/12/2018.

TRIAL BALANCE

| | Dr. | Cr. |
|---------------------------------|----------|----------|
| Sales | | 1,40,000 |
| Purchases | 75,000 | |
| Goods received from Head Office | 15,000 | |
| Wages | 5,000 | |
| Salaries | 4,000 | |
| Carriage inwards | 1,000 | |
| Goods sent to Head Office | | 12,000 |
| Cash at bank | 8,000 | |
| Furniture | 20,000 | |
| Opening stock | 7,000 | |
| Sundry debtors | 25,000 | |
| Sundry creditors | | 13,000 |
| Rent & rates | 4,000 | |
| B/R | 13,000 | |
| Discount received | | 2,000 |
| Head Office a/c | | 10,000 |
| | 1,77,000 | 1,77,000 |

The branch a/c in Head Office books showed a debit balance of Rs 14,000.

It is found that goods costing Rs 3,000 sent to the Head Office on 24th December 2018 have been received by the branch only on 5th Jan.2019. It is also noticed that a cheque of Rs 1,000 sent by the branch in December is received by the Head Office only on 7th Jan.2019.

Depreciate Furniture by 10%, Salary o/s Rs 800 and Closing Stock at Branch is valued at Rs 22,000.

Prepare Branch Trading and Profit & Loss a/c and Branch a/c and show the Incorporation Journal entries in the books of the Head Office.

24. Explain the steps in dissolution process of partnership firm.

25. X, Y and Z are in partnership sharing profits and losses in the ratio 3:3:4. They decided to dissolve the firm. At the time of dissolution their creditors amounted to Rs. 16000 and in the due course of dissolution a contingent liability of Rs. 2650, not brought into books, matured and had to be paid. Their capitals stood at Rs. 12000, Rs. 10000 and Rs. 8000 respectively. Y had given a loan of Rs. 14000 to the firm. The assets realised Rs. 40150. Prepare Memorandum of Balance Sheet, Realisation a/c, Bank a/c and Partners Capital a/c.