

**B. Com. DEGREE (C.B.C.S.) EXAMINATION, MARCH 2023**

**2022 Admissions Regular & 2021 Admissions Supplementary / Improvement And 2020, 2019 And 2018 Admissions  
Supplementary**

**SEMESTER II - CORE COURSE (COMMERCE)**  
**(For B. Com (Finance & Taxation and Capital Market)**  
**CO2B04B18 - 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. Explain in brief the parties in a hire purchase agreement.
3. Describe any 2 features of hire purchase.
4. Explain briefly the 'Stock and Debtors System'.
5. Explain the incorporation of Trial Balance.
6. Give a brief description of apportionment of income under departmental accounts.
7. Write a note on provision for unrealised profit on stock.
8. Explain the conditions of compulsory dissolution of a firm.
9. Mention any two points under conditions of dissolution of a firm by court.
10. Give journal entries for an unrecorded liabilities taken over by the partner.
11. State any 2 Demerits of Accounting Standard.
12. State any 2 need for Accounting Standard .

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

13. Define hire purchase system. Explain the features of hire purchase.
14. Megha purchased a scooter from Honda Motors under hire purchase system on 1.1.2015. The cash price of the scooter was Rs 56,000. Rs 15,000 was paid on signing the agreement and the balance in three equal instalments of Rs 15,000 each. The rate of interest was 5% p.a. Calculate the amount of interest included in each instalment.
15. Give proforma of branch adjustment account and branch stock account .
16. **Pooja fashions opened a branch on 01/04/2016. Goods are invoiced at selling price fixed by adding 25% to the cost. From the following particulars relating to 2016-2017, ascertain profit made at branch under Stock and Debtors System:**

<b>Goods sent to Branch at Invoice price</b>	<b>1,40,000</b>
<b>Cash sales</b>	<b>50,000</b>
<b>Credit sales</b>	<b>70,000</b>
<b>Cash received from debtors</b>	<b>62,400</b>
<b>Discount allowed</b>	<b>1,600</b>
<b>Goods returned by customers</b>	<b>2,000</b>
<b>Cash remitted to branch for:</b>	

<b>Rent</b>	<b>1,200</b>
<b>Salaries</b>	<b>6,000</b>
<b>Sunday expenses</b>	<b>800</b>
<b>Defective material found</b>	<b>200</b>

17. Distinguish between branch accounting and departmental accounting.
18. A business is having three departments, The following are its particulars:

PARTICULARS	PURCHASES	OPENING STOCK	CLOSING STOCK
Department A	1500 units	200 units	100 units
Department B	1000 units	300 units	160 units
Department C	2000 units	150 units	200 units

Additional Information:

- Purchases were made at a total cost of Rs.92000
- The percentage of gross profit on turnover is the same in each case
- Purchases and Sales price are constant for last 2 years
- Selling price per unit :A - Rs.20, B -Rs 25, C - Rs.30

Prepare Departmental Trading Account.

19. Explain the accounting treatment when all partners become insolvent .
20. X, Y and Z were partners sharing profits and lossess equally. Their Balance Sheet after the prepartion of realisation account on dissolution of the firm was as follows:

LIABILITIES	RS	ASSETS	RS
Capitals:			
X	12000	Cash	8000
Y	8000		
		Z's Capital	6000
		Realisation	6000
	<b>20000</b>		<b>20000</b>

Z is insolvent and his private estate pays only Rs.5000 of the amount due to the firm. Close capital accounts of partners if:

- Partnership Deed states that the loss due to insolvency should be shared in the profit sharing ratio
- Nothing about it is stated in the Deed

21. Discuss the Benefits of Accounting Standard.

### Part C

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

(2x15=30)

22. Kuttanadu Irrigation Ltd purchased an Electric pump set from V-guard Industries Ltd under hire purchase system on 1.1.2015. The cash price of the pump set was Rs 1,86,000 and payment was to be made as follows: Rs 59,700 was to be paid on signing the agreement and the balance in three instalments of Rs 60,000 each at the end of each year. The instalments were to be paid on 31st December every year. V-Guard Industries charged interest at 20% p.a. Kuttanadu Irrigation Ltd provided depreciation at 10% p.a. on fixed instalment method. The books of accounts are

closed on 31st December every year. Pass journal entries and prepare important ledger accounts in the books of both the parties.

23. The following is the Trial Balance sent by Tirur Branch to Head Office at Kattappana as on 31/12/2017.

	Dr.	Cr.
Opening stock	12,000	
Goods from Head Office	24,000	
Purchases	60,000	
Cash in hand	3,000	
Cash at bank	4,000	
Sales		1,10,000
Commission received		2,000
Bank interest		200
Wages	4,000	
Salaries	6,000	
Rent	2,000	
Furniture	6,000	
Debtors	20,000	
Creditors		15,000
Sales Returns	3,000	
Bills Receivable	6,000	
Head Office a/c		22,800
	1,50,000	1,50,000

The stock at Branch on 31/12/2017 is valued at Rs 18,000

Wages outstanding Rs 500

Furniture requires a depreciation @ 10% p.a

The Branch account in Head Office Book shows a debit balance of Rs 22,800

Prepare Branch Trading and Profit and Loss a/c

Also give Incorporating Journal Entries and Tirur Branch a/c in the books of HO.

24. Explain the steps in dissolution process of partnership firm.
25. Jithin, Arun and Amar who were in the partnership, sharing profits and losses in the ratio of 2:2:1 respectively, had the following Balance Sheet as on 31st March 2016.

LIABILITIES	RS	ASSETS	RS
Capitals:			
Jithin	29200	Fixed Assets	40000
Arun	10800		
Amar	10000		
Amar's loan	5000	Stock	25000
Loan from Mrs. Jithin	10000	Book Debts      25000	
		Less Provision <u>5000</u>	20000
Sundry Creditors	25000	Cash	1000
		Advance to Arun	4000
	90000		90000

The firm was dissolved on the date mentioned above due to continued losses. After drawing up the Balance Sheet given above, it was discovered that goods amounting to Rs.4000 have been purchased in November,2015 and had been received, but the purchase was not yet recorded in books. Fixed assets realised Rs.20000, Stock Rs.21000 and Book Debts Rs.20500. Similarly, the creditors allowed a discount of 2% on an average. The expenses of realisation came to Rs.1080. Jithin agreed to take over the loan of Mrs. Jithin. Arun is insolvent, and his estate is unable to contribute anything. Give accounts to close the books; work according to the decision in Garner Vs Murray