



17
II Semester B.Com. Examination, May/June 2014
(Repeaters 2011-12 Only)
COMMERCE
Financial Accounting – II

Time : 3 Hours

Max. Marks : 100

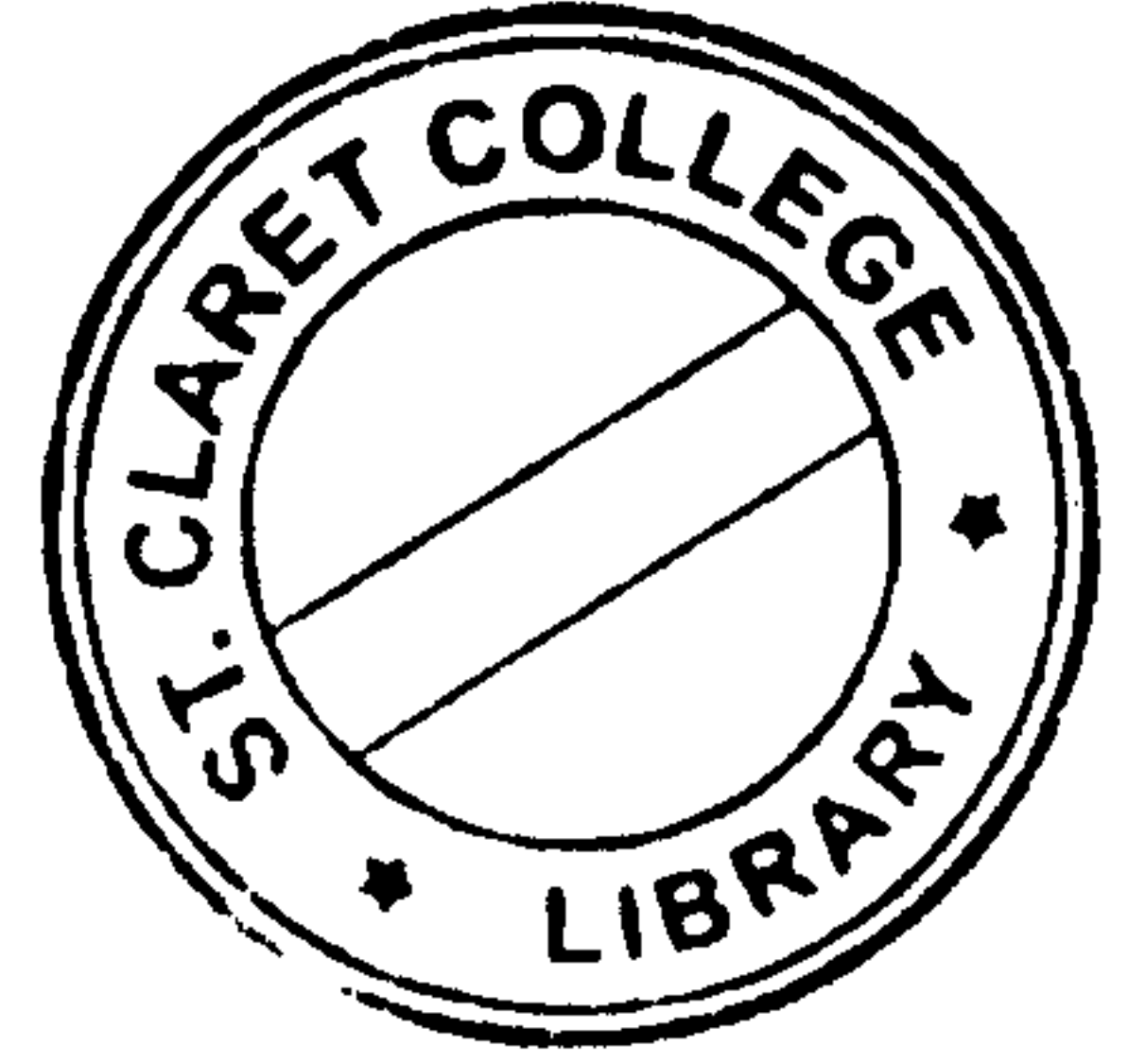
Instruction : Answer should be written completely either in **Kannada** or in **English**.

SECTION – A

Answer **any 8** questions. **Each** question carries **2** marks.

(8x2=16)

1. a) What is single entry system of book keeping ?
- b) What is meant by average clause ?
- c) Give a specimen of B/R a/c.
- d) What are abnormal line of goods ?
- e) What is good in transit ?
- f) How do you record inter departmental transfer of goods ?
- g) Mention any two objectives of Branch accounts.
- h) Mention the basis of apportionment of the following expenses in case of departmental accounting
 - a) Labour welfare expenses
 - b) Advertising
- i) What is meant by an Accounting standard ?
- j) Mention four advantages of departmental accounting.





SECTION – B

Answer **any 3** question. **Each** question carries **8** marks.

(3×8=24)

2. State the scope and function of Accounting Standard Board.
3. What are the advantages of single entry system ?
4. Calculate total purchases from the following information

Particulars	Rs.
Opening balance	3,000
Cash paid to creditors	90,000
Goods returned to creditors	15,000
Acceptances issued to creditors	90,000
Discount allowed by creditors	2,000
Closing balance	6,000
Cash purchases during the period amounted to Rs.	50,000

5. Neeraj Ltd., with its Head Office in Bangalore has a branch at Mysore. You are given the following details relating to Mysore branch for the year ended 30 – 6 – 2008

	Rs.
Stock at Branch on 1-7- 2007	32,600
Petty cash at branch on 1-7-2007	110
Goods sent to branch	45,600
Goods returned by the branch	3,900
Cash sales at branch	71,900

Cash sent to branch for expenses : Salaries Rs. 12,800, Rent Rs. 3,000, Petty cash Rs. 2,600. Prepare Mysore Branch a/c in the books of Head Office.



6. A fire occurred on 31-3-2004 in the premises of a firm and stock was destroyed with the exception of the value of Rs. 1,24,080

Following particulars are available from the books of accounts of the firm

Stock on 31-12-2003	1,80,000
Purchases to the date of fire	7,80,000
Sales to the date of fire	5,40,000
Carriage inwards	24,000

Commission paid on purchases to purchase manager 2 % rate of G/P on cost 50 %.

You are required to calculate :

- Total loss of stock
- Amount of claim to be lodged with insurance company.

SECTION – C

Answer **any four** of the following. **Each** question carries **15** marks. **(4×15=60)**

7. X traders Ltd. deal in 3 departments, the balances of accounts on 31-12-2013 are as follows

Share capital

50,000 shares of Rs. 10 each	5,00,000
6 % debentures	3,00,000

Stock on 1-1-2013

Dept. A	70,000
Dept. B	40,000
Dept. C	60,000



Purchases

A	14,10,000
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B	7,00,000
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C	10,50,000
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Sales

A	18,60,000
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B	9,15,000
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C	13,80,000
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Wages

A	2,80,000
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B	1,30,000
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C	2,10,000
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Motor Lorries	1,30,000
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Furniture	72,000
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Bank	1,44,800
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Salaries	54,000
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Carriage	12,600
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Travelling expenses	6,300
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Advertisement	8,100
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Printing and stationery	13,500
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Rent and taxes	1,800
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General charges	36,900
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Debenture interest up to 30-6-2013	9,000
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Sundry creditor	1,01,000
B/R	2,80,000
Sundry debtors	2,66,000
B/P	30,000
General reserve	1,45,000
Goodwill	90,000
Land and Building	1,80,000
P and L a/c (Cr.)	24,000

Adjustments :

Bad debts Rs. 2,000, B/R bad Rs. 1,600, Closing stock : Dept. A – 60,000, Dept. B – 50,000, Dept. C – 65,000. Depreciate land and building by 2.5 %, Furniture by 10 %, Motor Lorries by 25 %. Allocate motor Lorries in the ratio of 2 : 1 : 1 and other expenses in the ratio of total opening stock and purchases of each dept. Prepare departmental P and L a/c for the year ending 31-12-13 and B/S as on that date.

8. Bangalore H.O. invoice goods to Mysore Branch at 20 % profit on sales. The branch sends daily cash to the H.O. All expenses are paid by the H.O. except for petty expenses which met by the Branch Manager. From the following particulars prepare the branch account in the books of H.O.

Assets on 1-1-2010 at Branch

	Rs.
Stock	45,000
Debtors	27,000
Cash	1,200
Furniture	3,600



Transaction during 2010

Goods sent to branch invoice price	2,40,000
Goods returned to H.O.	3,000
Goods returned by debtors	1,440
Cash received from debtors	90,000
Cash sales	1,50,000
Total sales	2,40,000
Discount allowed to debtors	900
<u>Expenses paid by H.O.</u>	
Rent	3,600
Salary	7,200
Stationery	900
Petty expenses paid by branch	840
Stock on 31-12-10 invoice price	42,000

Depreciate furniture at 10 % p.a.

9. Fire occurred in the premises of Mr. Ramu on 20th April 2010. In order to make claim on their fire policies in respect of stock, they ask your advice and you are able to obtain the following information

Particulars	2008	2009	2010
Opening stock	32,400	36,000	36,900
Purchases	80,000	81,000	6,000
Sales	1,32,000	1,40,000	12,000
Wages	19,000	20,900	2,000
Closing stock valued	36,000	36,900	—

The stock salvaged was Rs. 2,000 it was practice of the firm to value the stock at 10 % less from cost. Determine the amount to be recovered from insurance company.



10. Mr. Suma, a general goods merchant does not maintain her books of accounts systematically. However the following information could be ascertained from tax books of account for the year ending 31-3-2008.

Particulars	Balances	
	1-4-2007	31-3-2008
Plant and machinery	63,000	63,000
Stock of goods	28,000	24,500
Debtors	7,000	10,500
Creditors	17,500	16,310
Bank	14,000	?

Transactions during the year ended 31-3-2008 (cash transaction)

	Rs.
Wages paid	21,000
Sundry Expenses	8,250
Advertisement Expenses	3,920
Rent paid	8,750
Purchase Expenses	8,610
Cash collected from debtors	2,88,750
Cash paid to creditors	2,25,190
Drawing	10,920

Mrs. Suma drew goods worth Rs. 2,730, from the business during the year for her household purposes. The purchase returns and sales returns during the year amounted to Rs. 7,000/- and 3,500/- respectively. The plant and machinery have to be depreciated by 5 %.

Prepare trading and P and L a/c for the year ending 31-3-2008 and also a balance sheet on the same date.



11. The following is the Trial balance of the Mandya Branch as at 31-12-2010

Particulars	Dr.	Cr.
	Rs.	Rs.
Furniture	5,600	
Bank	7,120	
Rent	3,840	
Salaries	6,000	
Debtors and creditors	14,800	7,400
Office Expenses	1,880	
Goods supplied to H.O.		24,000
Purchases	75,200	
Sales		1,52,000
Goods received from H.O.	32,000	
Stock on 1-1-2010	24,000	
Head Office account	12,960	
	1,83,400	1,83,400

Closing stock was valued at Rs. 5,400. The branch a/c in the H.O. books on 31-12-10 stood at Rs. 1,840 (Cr.) goods worth Rs. 10,000 sent by the H.O. to branch and remittance of Rs. 4,800 sent by branch to H.O. were in transit. Incorporate above trial balance of the branch in H.O. and give the Mandya Branch a/c in the books of H.O.