



24

II Semester B.Com. Examination, May 2016

(Prior to 2012-13) (Repeaters)

(100 marks – 2011-12 Only/90 marks – Prior to 2011-12)

COMMERCE

Financial Accounting – II

Time : 3 Hours

Max. Marks : 100/90

Instructions : 1) Answer should be written **completely** either in **English** or **Kannada** only.

2) Section – **D** is **compulsory** for 2011-12 batch only.

SECTION – A

1. Answer **any 10** of the following sub-question **each** sub question carries **2** marks. (10×2=20)
- What is dependent branch ?
 - State two objectives of accounting standards.
 - Who is insurer in a fire insurance policy ?
 - What is stock reserve ?
 - What is cash in transit ?
 - Why is memorandum trading account prepared ?
 - How do you allocate the following expenses in departmental accounting ?
 - Carriage outwards
 - Canteen expenses.
 - From the following information find out fire insurance claim :
Value of stock on the date of fire ₹ 2,00,000, policy amount ₹ 1,50,000, goods saved from the fire ₹ 50,000.
 - What is statement of affairs ?
 - What is departmental accounts ?
 - How do you calculate gross profit ratio ?
 - Give the meaning of salvage.

P.T.O.



SECTION – B

Answer **any five** of the following. **Each** question carries **5** marks.

(5×5=25)

2. State the objectives and functions of the Accounting Standard Board.
3. State the merits and demerits of single entry system.
4. On 15-6-2014 a fire occurred in the premises of a firm, from the following particulars ascertain the amount of claim to be lodged with insurance company.

Stock on 1-4-2014 ₹ 35,00,000

Purchases from 1-4-2014 to the date of fire ₹ 52,50,000

Wages ₹ 17,50,000

Manufacturing expenses ₹ 10,50,000

Sales from 1-4-2014 to the date of fire ₹ 84,00,000

Rate of gross profit is $33\frac{1}{3}\%$ on cost

The salvage is ₹ 1,05,000.

5. From the following figures drawn from the books of Mr. Anirudh who maintains books of a/cs under single entry system, calculate total sales.

B/R at the beginning – ₹ 7,800

Debtors at the beginning – ₹ 30,800

B/R encashed during the year – ₹ 20,900

Cash received from debtors ₹ 70,000

Bad debts written off during the year – ₹ 2,800

Sales returns – ₹ 8,700

B/R at the end of the year – ₹ 6,000

Drs at the end of the year – ₹ 25,500

Cash sales – ₹ 40,900

6. A Ltd. with its head office in Bangalore has a branch at Mandya. You are given the following particulars relating to Mandya branch for the year ended 30-6-2014.

	₹
Stock at branch on 1-7-2013	32,600
Petty cash at branch on 1-7-2013	110
Goods sent to branch	45,600
Goods returned to H.O.	3,900
Cash sales at branch	71,900
Cash sent to branch for expenses :	₹
a) Salaries	12,800
b) Rent	3,000
c) Petty cash	2,600
	18,400

Stock at branch on 30-6-2014 ₹ 37,100 petty cash at branch on 30-6-2014 ₹ 100.

Prepare Mandya Branch A/c in the books of Head Office.

7. A firm has 2 depts A and B. During the year ending 31-3-2014 the following information is available.

	A	B	Total
Opening stock	5,000	7,000	12,000
Purchases	40,000	50,000	90,000
Sales	78,000	91,000	1,69,000
Carriage inwards	—	—	4,500
Closing stock	6,000	8,000	14,000
Salaries	—	—	23,000
Rent and Rates	—	—	5,000
Discount allowed	—	—	1,300
Discount received	—	—	1,800

Prepare trading, profit and loss a/c of dept. A and B.



8. From the following information find out closing debtors.

	₹
Opening debtors	30,000
Credit sales	1,50,000
Return inwards	10,000
Cash from debtors	80,000
Discount allowed	5,000
B/R from customers	25,000
Bad debts	3,000

9. Explain the steps involved in the calculation of fire insurance claim.

SECTION – C

Answer **any 3** questions. **Each** question carries **15** marks :

(3×15=45)

10. XYZ Ltd. Bangalore opened a branch at Mysore on 1-1-2014 branch is instructed to sell goods both for cash and credit. All cash collections remitted to Head Office. From the following prepare Mysore branch a/c in the books of Head office and also prepare branch debtors a/c.

Stock on 1-1-2014 ₹ 20,000

Petty cash ₹ 600

Furniture ₹ 5,000

Goods send to branch at cost ₹ 2,00,000

Goods returned to head office ₹ 12,000

Expenses paid by Head Office ₹ 40,000

Cash sent by Head Office for petty cash ₹ 1,000

Remittances from branch :

a) Cash sales ₹ 10,000

b) Collection from debtors ₹ 1,70,000

Credit sales ₹ 2,04,000

Closing stock ₹ 84,000

Closing petty cash ₹ 100

Discount allowed to debtors ₹ 7,200

Depreciate furniture at 10% P.A.



11. The premises of Bharath Traders were destroyed by fire on 30-4-2015. The stock was insured. The concern has made accounts upto 31-12-2014. The following information is available.

	₹
Stock on 1-1-2014	1,52,720
Stock on 31-12-2014	1,16,140
Purchases from 1-1-2015 to the date of fire	3,68,270
Purchase up to 31-12-2014	4,72,580
Sales upto 31-12-2014	5,40,000
Sales from 1-1-2015 to the date of fire	5,11,700

Further information :

- 1) The rate of gross profit is constant over the year.
- 2) Value of stock saved was ₹ 18,000 and the expenses incurred to extinguish fire is ₹ 1,200.
- 3) Amount of policy taken ₹ 65,000.

There is average clause in the policy. Show the amount of fire claim.

12. Mr. Arjun keeps his books under single entry system, from the following information given by him, prepare trading and profit and loss a/c for the year ended 31-12-2007 and B/S as on that date.

Cash book shows the following :

	₹
Interest charges	300
Drawings	4,000
Salaries	20,000
Business expenses	15,000
Payment to creditors	20,000
Balance of bank as on 31-12-2007	5,000
Balance of cash as on 31-12-2007	300
Cash sales	40,000
Receipts from debtors	50,000



Further details available are

Particulars	1-1-2007	31-12-2007
Stock	18,000	20,440
Creditors	16,000	11,000
Debtors	44,000	60,000
Furniture	2,000	2,000
Machinery	30,000	30,000

Adjustments :

- Provide interest on capital at 5% p.a.
- Provide for RBD ₹ 3,000
- Depreciate all fixed assets at 5% p.a.

13. Mr. Suresh is running departmental stores and has 2 departments A and B. The following information is supplied to you. You have required to prepare departmental trading and profit and loss a/c.

	Dept. A	Dept. B
	₹	₹
Opening stock	4,000	8,000
Purchases	40,000	60,000
Wages	3,000	5,000
Sales	80,000	1,00,000
Other expenses are :	₹	
Rent and rates	3,000	
Salaries	18,000	
Carriage outwards	3,600	
Discount (credit)	1,000	
Discount (debit)	1,800	
Advertisement	3,600	
Printing and stationery	2,700	
Insurance	900	
Postage and Telegram	1,350	
Sundry expenses	450	

Additional information :

1) Floor space occupied by Dept. A. – 200 sq. ft.

Dept. B – 400 sq. ft.

2) Closing stock of Dept. A – 20,000

Dept. B – 30,000

3) No. of employees in Dept. A is 10

Dept. B is 8

Other items should be apportioned on the appropriate basis.

14. What is Accounting Standard ? Briefly explain any six Accounting Standard.

SECTION – D

Answer the following question. It carries **10** marks (**Compulsory for 2011-12 batch only**).

(1×10=10)

15. From the following particulars ascertain the amount of claim

Date of fire 1-4-2014

Amount of fire insurance policy is ₹ 3,00,000 covering its stock and applied average clause

	₹
Stock as on 1-1-2013	4,59,000
Stock as on 31-12-2013	4,91,400
Purchases for the year 2013	18,60,000
Sales for the year 2013	24,00,000
Purchases from 1-1-2014 to 1-4-2014	4,56,000
Sales from 1-1-2014 to 1-4-2014	6,00,000
Salvage	66,000