

Subscriptions include Rs.1200 for 2007-08. Also rent includes Rs. 500 paid for march 2008. Subscriptions amounting to rs.1500 have still to be collected for the year 2008-09. Rent for March, 2009 is still to be paid & Rs. 250 is outstanding against a stationary bill The book value of the scooter was Rs.3200.

- OR iii. What do you mean by Receipts & Payments and Income & Expenditure account. Give the format of both with complete details. **6**

Q.6 Attempt any two:

- i. What is meant by goodwill of a partnership firm? Describe with the help of suitable example & explain different methods of calculating goodwill of a partnership firm. **5**
- ii. The balance sheet of a partnership firm of x & y who were sharing profits in the ratio of 5:3 respectively, as on 31st March , 2010 was as follows :- **5**

Balance Sheet

Liability	Amount	Assets	Amount
X' Capital	2,05,000	Land & Building	1,90,000
Y' Capital	1,65,000	Plant & Machinery	85,000
Profit & Loss Appropriation A/C	56,000	Furniture	54,740
		Stock	72,630
		Debtors	30,000
Trade Creditors	27,400	Cash at Bank	21,030
Total	4,53,400	Total	4,53,400

On the above date , Z was admitted on the following terms :-

Z would get 1/5 th share in the profits.

Z would pay Rs. 1,20,000 as capital & Rs. 16,000 for his share of goodwill.

Machinery would be depreciated by 10% & building would be appreciated by 30%. A provision for bad debts @ 5% on debtors would be created. An unrecorded liability amounting to Rs 3,000 for repairs to building would be recorded in the books of account.

Immediately after Z admission, goodwill account would be written off. Thereafter the capital accounts of the old partners would be adjusted through the necessary current accounts in such a manner that the capital accounts of all the partners would be in their profit sharing ratio.

Prepare revaluation Account, capital accounts & the initial balance sheet of the new firm.

- iii. What is partnership account? Write the adjustment of undistributed profits, losses and adjustments of capital in admission of a new partner. **5**



Programme: B.Com (Hons.)

Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Dependent Branch is that which :- **1**
 (a) Purchases own goods (b) Purchases goods in less quantity
 (c) Received goods from head office (d) Purchases goods from market
- ii. In Hire Purchase System:- **1**
 (a) Purchase price paid in cash (b) Purchase price paid in credit basis
 (c) Purchase price paid in instalments (d) Purchase price not paid
- iii. If the rate of gross profit for department 'M' is 20%. **1**
 The amount of gross profit on a turnover of 400,000Rs. will be :-
 (a) Rs. 40,000 (b) Rs. 80,000 (c) Rs.60,000 (d) Rs.1,00,000
- iv. Local Taxes are allocated in different departments :- **1**
 (a) Time basis (b) Sales basis
 (c) On the basis of area occupied by each department (d) None of these
- v. Member of parties of consignment account are :- **1**
 (a) 2 (b) 3 (c) 4 (d) 10
- vi. Delcredere Commission is calculated on :- **1**
 (a) Total Sales (b) Cash sales (c) Credit sales (d) None of these
- vii. Income & Expenditure account is :- **1**
 (a) Personal Account (b) Real Account
 (c) Nominal Account (d) None of these
- viii. Outstanding Subscription is a :- **1**
 (a) Income (b) Assets (c) Liability (d) Expenses
- ix. Goodwill is treated as :- **1**
 (a) Intangible Assets (b) Current Assets
 (c) Liability (d) Tangible Assets
- x. Retiring Partner will be responsible for :- **1**
 (a) After his retirement liability
 (b) His tenure responsibilities
 (c) His tenure & after his retirement liabilities
 (d) None of these

- Q.2 i. How many types of branches are? Name them. **2**
 ii. What are the contents of hire purchase agreement? **3**
 iii. X Company has its branch at Lucknow. Goods are invoiced to this branch at 20% profit on invoice price. From the following details prepare branch account in the books of head office showing branch profit :- **5**
- | | | |
|---|---|------------|
| Goods supplied to branch at invoice price | - | 38,000 Rs. |
| Wages paid by head office | - | 1,520 Rs. |
| Rent paid by head office | - | 1,800 Rs. |
| Sundry Expenses paid by head office | - | 200 Rs. |
| Cash sales | - | 24,800 Rs. |
| Cash received from debtors | - | 10,000 Rs. |
| Credit Sales | - | 11,200 Rs. |
| Discount allowed to customers | - | 400 Rs. |
| Goods Spoiled | - | 100 Rs. |
| Goods return by customer | - | 200 RS. |
- OR iv. What is hire purchase system? Give its merits & demerits. **5**

- Q.3 i. Give any two major differences between branch & departmental accounts. **2**
 ii. Raman the proprietor of a departmental store containing three departments named A B & C decided to calculate separate profit for his departments for the month of march 2016. Stock on 31march could not be valued for certain unavoidable reasons but his rate of gross profits on sales for the A, B & C departments is 40%, 30% & 20% respectively. The following information is given **8**

	Departments		
	A	B	C
STOCK (1-3-2016)	9,000	8,400	12,000
Salary	5,490	8,520	12,220
Purchases	27,000	21,600	90,000
Sales	42,000	36,000	1,02,000

Indirect expenses for whole business of all three departments are Rs.10,800, out of this 1/6 of the whole are to be divided in all the three departments in proportion to 3:1:1 respectively and the balance of indirect expenses is to be charged in the proportion to departmental sales. Prepare trading and profit & loss account for the departments A, B, C.

- OR iii. What are departmental accounts? On which basis expenses of the business allocated to the different departments. **8**

- Q.4 i. What is meant by abnormal loss? How it is treated in the books of the consignor. **3**
 ii. Punjab Cycle Co. of Ludhiana consigned 100 bicycles to Kanpur cycle co. Of Kanpur costing Rs. 1,500 each, invoiced at Rs.2,000 each. The consignor paid freight Rs. 10,000 and insurance in transit Rs.1,500. During transit, 10 bicycles were totally damaged. Kanpur cycle co. took delivery of remaining bicycles & paid Rs. 1,530 for octroi duty. Kanpur Cycle Co. sent a bank draft to Punjab Cycle Co. For Rs. 50,000 as advance and later on sent an account sales showing that 80 bicycles had been sold @Rs.2,200 each. Expenses incurred by Kanpur Cycle Co. On godown rent wasRs.2000.Kanpur Cycle Co. is entitled to a commission of 5% on invoice price and 25% on any surplus of sale price over invoice price. Insurance claim was settled at Rs. 14,000. Prepare consignment account, consignee's account and accidental loss account in the books of the consignor. **7**
- OR iii. What is the meaning of consignment? Give necessary journal entries in the books of consignor & consignee. **7**

- Q.5 i. Enumerate the points of distinction between receipts & payments account & income & expenditure account. **4**
 ii. From the following, prepare an Income & Expenditure Account for the year 31st March 2009. **6**
- | 2008 | Rs. | 2009 | Rs. |
|---|--------|------------------------|--------|
| April 1 To balances | | 31 march | |
| Cash in office | 550 | By salaries | 36,000 |
| Cash at bank | 4,500 | By rent | 6,000 |
| 2009 March 31 To 30,000 | | By printing stationary | 1,450 |
| Subscription (including Rs. 2000 for 2009-10) | | By postage | 250 |
| To interest on investments (cost of 150000) | 15,000 | By bicycle (purchased) | 950 |
| To bank interest | 100 | By Govt. Bonds | 6,800 |
| To sale of scooter | 2,500 | By balances : | |
| Total | 52,700 | Cash in office | 120 |
| | | Cash in bank | 1,130 |
| | | Total | 52,700 |

Marking Scheme
CM3CO06 Financial Accounting II

Q.1	i.	Dependent Branch is that which :- (c) Received goods from head office		1				
	ii.	In Hire Purchase System:- (c) Purchase price paid in instalments		1				
	iii.	If the rate of gross profit for department 'M' is 20%. The amount of gross profit on a turnover of 400,000Rs. will be :- (b) Rs. 80,000		1				
	iv.	Local Taxes are allocated in different departments :- (b) Sales basis OR (c) On the basis of area occupied by each department		1				
	v.	Member of parties of consignment account are :- (a) 2		1				
	vi.	Delcredere Commission is calculated on :- (a) Total sales OR (c) Credit sales		1				
	vii.	Income & Expenditure account is :- (c) Nominal Account		1				
	viii.	Outstanding Subscription is a :- (b) Assets		1				
	ix.	Goodwill is treated as :- (a) Intangible Assets		1				
	x.	Retiring Partner will be responsible for :- (b) His tenure responsibilities		1				
Q.2	i.	Types of branches		2				
	ii.	Contents of hire purchase agreement		3				
	iii.	Prepare branch account in the books of head office showing branch		5				
OR	iv.	Hire purchase system Its merits & demerits	1 mark 4 marks	5				
Q.3	i.	Differences between branch & departmental accounts.		2				
	ii.	Trading Account Profit & loss account Working note	2 marks 4 marks 2 marks	8				
OR	iii.	Meaning of departmental accounts Ruler	2 marks 6 marks	8				
Q.4	i.	Abnormal loss & treatment in the books of the consignor.		3				
	ii.	Consignment account, Consignee's account Accidental loss account	4 marks 2 marks 1 mark	7				
OR	iii.	Meaning of consignment Journal entries in the books of consignor & consignee.	1 mark 6 marks	7				
Q.5	i.	Distinction between receipts & payments account & income & expenditure account.		4				
	ii.	Prepare an Income & Expenditure Account for the year 31 st March 2009.		6				
OR	iii.	Correct format Receipts & Payments Correct format of Income & Expenditure account	3 marks 3 marks	6				
Q.6		Attempt any two:						
	i.	Goodwill of a partnership firm with example Different methods of calculating goodwill of a partnership firm.		5				
	ii.	Revaluation Account Capital accounts Balance sheet of the new firm.	1 mark 2 marks 2 marks	5				
	iii.	Partnership account Adjustment of undistributed profits, losses Adjustments of capital in admission of a new partner.		5				
