

Second Semester B.Com., Degree Examinations

October / November 2019

(2018-19 Scheme)

COMMERCE

COB 410 : Financial Accounting - II

Time : 3 hrs.]

[Max.Marks : 80

SECTION - A

I. Answer any **THREE** questions. 5 Marks each.

ಕೆಳಗಿನ ಪ್ರಶ್ನೆಗಳಲ್ಲಿ ಯಾವುದಾದರೂ ಮೂರು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ತಲಾ 5 ಅಂಕಗಳು. $3 \times 5 = 15$

1. What is Hire Purchase System? Give the features.
2. What are the objectives of Branch Accounting?
3. On 1st Jan, 2009, Ravi purchased typewriter on hire purchase system. The cash price of the typewriter is ₹ 7,450. The payment is made as follows ₹ 2,000 on signing the agreement and ₹ 2,000 annually for three years. You are required to calculate the interest for each installment.
4. Prepare Branch Debtors Account from the following transactions for the period ending 31st March 2009.

Opening stocks of branch	36,000
Opening Debtors	60,000
Goods sent to branch	6,00,000
Remittances to Head Office	2,00,000
Sales : Cash 40,000 Credit 3,00,000	3,40,000
Goods returned by debtors	2,000
Bad debts	1,000
Cash collected from debtors	1,40,000
Commission	10,000

5. Calculate the amount of fire claim from the following details.

	₹
Stock 1-1-2013	2,00,000
Purchases up to the date of fire	4,90,000
Carriage Inwards	30,000
Manufacturing of Expenses	90,000
Sales up for the date of fire	8,80,000
The Gross Profit Rate	25%
Salvaged stock	20,000

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SECTION - B

II. Answer any TWO questions. 10 Marks each.

2X10=20

6. Mention the basis of allocation of common expenses relating to following items

- a) Carriage Inwards
- b) Bad debts
- c) Rent
- d) Lighting
- e) Depreciation
- f) Labour welfare expenses
- g) Works manager salary
- h) Insurance
- i) Advertisement
- j) Canteen expenses
- k) Freight
- l) Discount allowed
- m) Power
- n) Interest on capital

7. On 1-1-2010, a Motor car was purchased on hire purchase system. The cash price of the car was ₹ 11,00,000. The payment was to be made as follows :

Down payment ₹ 1,00,000 and balance in four equal installments along with interest at 10% . Depreciation at 20% was charged on original cost method.

Show the Motor Car Account and hire Vendor Account in the books of Hire Purchaser.

8. From the following balances, prepare Departmental Trading and Profit and Loss Account for the year ended 31st Dec. 2013.

Opening stock

x Dept	18,000	
y Dept	<u>15,000</u>	33,000
Purchases x Dept	40,000	
y Dept	<u>35,000</u>	75,000
Sales x Dept	80,000	
y Dept	<u>60,000</u>	1,40,000
Wages		10,000
Rent		9,000
Salary		5,000
Discount Allowed		2,000
Advertising		3,000
Lighting		1,000
Discount received		500
Carriage Inwards		500

Additional Information

- 1) Space occupied between two departments in the ratio of 2:1

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- 2) Salaries to be allocated in the ratio of 3:2
- 3) Light points between two departments are 6 and 4 respectively
- 4) Closing stock was X Dept ₹ 20,000 and Y Dept ₹ 14,000
9. A fire occurred in the premises of 'B Co' Ltd on 30th April 2013. All stocks were destroyed except ₹ 13,000 worth. From the following, ascertain the claim to be lodged with insurance Co.,

	₹
Stock on 1-1-2012	36,000
Stock on 31-12-2012	66,000
Purchases during the year 2012	4,80,000
Sales during the year 2012	6,00,000
Sales from 1-2-2013 to 30-4-2013	3,00,000
Purchases from 1-1-2013 to 30-4-2013	2,30,000
The amount of the policy was	40,000
And claim was subject to an average clause	

Assume that closing was valued on cost plus 10%.

SECTION - C

III. Answer any *THREE* questions. 15 Marks each.

3X15=45

10. Explain the terms :

- a) Royalty
- b) Dead Rent
- c) Short working and its recoupment.

11. A Truck was purchased on Hire Purchase system. The terms of payment were as follows :

₹ 4,000 to be paid on beginning the agreement

₹ 5,600 to be paid at the end of I year

₹ 5,200 to be paid at the end of II Year

₹ 4,800 to be paid at the end of III Year

₹ 4,400 to be paid at the end of IV year

Interest is charged at the rate of 10% p.a. Depreciation at 10% on diminishing value method was to be charged over the period.

Show Truck Account and Hire Seller Account in the books of Hire purchaser under Asset Accrual Method.

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12. Prepare the departmental Trading and profit and loss account for the year ended 31-3-2013 and Balance Sheet as on that date.

	₹	₹
Capital		50,000
Drawings	10,000	-
Opening Stock : A Dept	45,000	-
B Dept	21,000	-
Sales : A Dept	-	2,94,000
B Dept	-	1,46,000
Purchases : A Dept	2,25,000	-
B Dept	1,15,000	-
Salaries	12,600	-
Publicity expenses	8,900	-
Rent	3,200	-
Commission	10,600	-
Miscellaneous expenses	5,000	-
Furniture	12,400	-
Debtors	16,800	-
4% Govt Loan	10,000	-
Sundry Creditors		8,800
Interest		400
Reserve for bad debts		800
Cash balance	4,500	-
	5,00,000	5,00,000

Adjustments :

- Closing stock A dept ₹ 30,000, B Dept ₹ 24,000
 - ₹ 1,200 has to be written off of bad debts and reserve at 5% on Debtors to be provided for doubtful debts.
 - Outstanding expenses are : Publicity ₹ 1,300, salaries ₹ 1,200 and commission ₹ 1,700.
 - Provide 10% depreciation on furniture
 - Revenue items to be allocated in the ratio of 2:1 between A Dept and B Dept.
13. Aruna Traders started a branch in Shivamogga on 1st January 2017. Goods were invoiced at selling price which was at cost plus 25%. From the following particulars relating to the year 2018. You are required to prepare the Branch - Account.

	₹
Opening Branch Stock	20,000
Opening Branch Debtors	30,000
Petty Cash as branch (1-1-2018)	200
Goods sent to Branch	1,50,000
Sales : Cash	50,000
Credit	70,000
Goods returned by customers	1,500

Contd...5

Cash received from customers	40,000
Discount Allowed	500
Cash remitted to branch for :	
Rent 750	
Salaries 3,000	
Sundry expenses 500	4,250
Goods returned by branch	6,000
Stock at branch on 31-12-2018	25,000
Branch petty cash at close	100

14. A Calliery Co., worked coal under a lease which provided for the payment of royalty at 50 paise per ton with a minimum annual rent of ₹ 17,000, each year's excess of minimum rent over the actual royalty being recoverable during the subsequent three years. The lease, however, stipulated that, if in any year the normal rent was not attained by stoppage of work for any reason, the minimum rent was to be regarded as having been reduced in proportion to the length of stoppage

The output was as follows :

1998	4,000 tons
1999	28,000 tons
2000	38,000 tons
2001	46,000 tons
2002	30,000 tons
2003	50,000 tons

During 2002, there was stoppage of work for three months.

Write up Royalties Account Short Workings Account and Landlord Account in the Books of Calliery Co.,
