

B.Com Sem –III Final Exam -2020

Financial Accounting - II

FM – 80

Group –A

(Answer any four)

5X4

1. What is Garner Vs. Murray rule ?
2. What is Cash-in transit ? what adjustment entries are to be passed in the books head office and branch for cash –in –transit
3. How are inter-departmental transfers of goods treated in Departmental Accounts ?
4. What is ex-interest and cum-interest ?
5. Distinguish between Equity shares and Preference share.
6. Distinguish between share and debenture.
7. What is bonus share ? Indicate two implications of a bonus issue.
8. What do you understand by underwriting ?

Group –B

(Answer any three)

20X3

9. Amal, Bimal and Charan are partners in a firm sharing profits and losses in the ratio of 3:2:1. They decided to dissolve the partnership business as on 31.12.2019. Following is the Balance Sheet on the date of dissolution:

Liabilities	Rs.	Assets	Rs.
Capitals :		Machinery	40,000
A	30,000	Furniture	5,000
B	15,000	Stock	7,000
C	5,000	Debtors	6,000
Sundry Creditors	7,000	Cash	2,000
Bank Overdraft	3,000		
	-----		-----
	60,000		60,000
	-----		-----

The following assets were realized in cash :Machinery – Rs 35,000; Furniture Rs.4,000; Stock was taken over by Bimal Rs.5,000. Debtors were collected at 10% less than their book values. Realisation expenses Rs. 500.

Prepare Realisation A/c, Cash A/c and Partners'Capital Accounts.

10. What do you understand by an 'Independent Branch'? What are the main features of the accounting system of an independent branch? 5+15

Or

From the following particulars, prepare Branch Account in the books of the head office assuming that the sales at branch are on cash basis.

Opening stock at the branch	Rs.30,000
Goods sent to branch	Rs.90,000
Cash sales	Rs.1,20,000
Expenses met by head office:	
Salaries	Rs.10,000
Other expenses	Rs.4,000

Closing stock could not be ascertained, but it is known that the branch usually sells at cost plus 20%.

11. X Co. Ltd. purchased machinery from Y Co. Ltd. on hire purchase system. The cash price of the machine was Rs.1,19,145. Rs.32,000 was to be paid on 01.01.2016. and balance in three installments of Rs.32,000 each on 31st Dec every year subject to interest @ 5% p.a. Depreciation is to be provided @20% p.a on the diminishing balance method.

Show Machinery A/c and Y Co. Ltd A/c in the books of X Co. Ltd for three years upto 2018.

Or

What is Hire Purchase System? What is repossession? Distinguish between Hire Purchase System and Installment Payment System. 5+5+10

12. Metal Co. Ltd made an issue of 10,000 Equity shares of Rs.10 each payable as follows:

- i) Rs.3 per share on application
- ii) Rs.4 per share on allotment
- iii) Rs.3 per share on First and Final Call

Mr. Roy holding 200 shares failed to pay the allotment and call monies. His shares were forfeited and subsequently re-issued to Mr. Saha as fully paid up @ Rs.8 per share.

Pass Journal entries.

Or

a) Distinguish between Bonus share and Right Share

b) Duck Ltd. Co. with a subscribed capital of Rs.10,00,000 in equity shares of Rs.10 each has resolved to utilize the balance of Share Premium Account to issue fully paid bonus shares in the ratio of one equity share for every five equity shares held.

Show Journal entries.

10+10

13. The following are the extracts from the Balance Sheet of Q Ltd. as on 31.12.2019.

Share Capital :

50,000 Eq. Shares of Rs.10 each fully paid ----- Rs.5,00,000

1,000 , 10% Redeemable Preference shares of Rs.100 each fully paid ----- Rs.1,00,000.

Reserve & Surplus :

Capital Reserve --- Rs.50,000

Securities Premium ---- Rs.50,000

General Reserve ----- Rs.75,000

Profit & Loss A/c ----Rs.35,000

On 01.01.2020 , the Board of Directors decided to redeem the preference shares at par by utilization of reserve.

Pass necessary journal entries.

Or

- a))What are the different methods of redemption of debenture ?
- b) What is convertible debenture ? what are the advantages of issuing convertible debenture?

B.Com Sem -III Internal Assessment-2020

Financial Accounting - II

Marks -10

Select the best choice --- (Any five)

1. The solvent partners must share the deficiency of an insolvent partner ---
a) In their profit sharing ratio; b) In their capital ratio; c) In their sacrificing ratio.
2. Branch stock account is practically means of controlling stock at –
a) Branch ; b) Head Office ; c) Warehouse
3. The hire purchaser can record the asset at its ---
a) Hire purchase price; b) cash down price c) cost price
4. Depreciation charges for a period are recorded -----
a) Only in the P & L A/c ; b) Only in the Balance Sheet; c) P&L A/c and Balance Sheet
5. Trade discount and volume rebate should ----
a) Be recognized as revenue b) be ignored c) be subtracted from cost
6. A company is managed by the -----
a) board of directors b)managing director c) promoter
7. Profit on re-issue of shares is transferred to -----
a) Profit & Loss A/c b) General Reserve c) Capital Reserve
8. Debentureholders are the -----
a) owner of the company b) creditors of the company c) customers of the company
9. Bonus share is issued to the -----
a) Equity shareholders b) Preference shareholders c) Creditors
10. Debenture Redemption Reserve Fund is shown in the Balance Sheet under ----
a) Non-current liabilities b) current liabilities c) shareholder's fund

