



20101305

QP CODE: 20101305

Reg No :

Name :

BA DEGREE (CBCS) EXAMINATION, NOVEMBER 2020

Second Semester

B.A Corporate Economics Model III

Core Course - EC2CRT07 - FINANCIAL ACCOUNTING - II

2017 ADMISSION ONWARDS

EF3098D0

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is Independent Branches?
2. What is Department?
3. Define Partnership.
4. State the conditions under which the capital balances may change under the system of fixed capital account.
5. What are the 2 main rights acquires by a newly admitted partner?
6. Rs.2,000 is withdrawn by a partner on September 30 and the accounts are closed on December 31.What is the interest on drawings ,if the rate of interest is 6%?
7. What re the reasons which leads to reconstitution of partnership firm?
8. Who is an Outgoing partner?
9. A newly admitted partner acquires two main rights in the new firm. What are they?
10. What is Revaluation account?
11. What is Dissolution of Partnership Firm?
12. What is death of a partner?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. Stanly and Brothers of Pampady has a branch at Tiroor. The following are the transactions between the branch and the head office for the year ended 31st March 2006.
- Opening stock - 80,000
opening petty cash - 30
goods sent to branch during the year - 8000
remittance to branch for :
a) salary - 3000
b) rent - 4000
c) petty cash - 170
cash remittance by branch - 13000
closing stock - 21000
closing petty cash - 40
Prepare Branch account in the books of Head Office.

14. From the following information, prepare Departmental Trading accounts of AB Ltd.

	Finance Department	Marketing
Department		
Opening stock :	Rs.1,00,000	80,000
Wages :	Rs.5000	3,000
Sales :	Rs. 80,000	70,000
Closing stock :	Rs.50,000	20,000

15. What are the various items of Departmental Trading account?
16. Explain the contents of Partnership Deed.
17. Compute the value of goodwill on the basis of four years purchase of the average, profits based on the last five years.

The profits for the last five years were as follows:

Years	Profits
1999	30,000
2000	35,000
2001	40,000
2002	40,000
2003	50,000

18. Compute the value of goodwill from the following information by Capitalisation method.

Average annual profit	-	Rs. 45,000
Normal rate of return	-	Rs.20%
Capital employed in the business	-	Rs.1,50,000

19. 'A' and B' are partners in a firm sharing profits in the ratio of 2:1. They admit C' as a new partner for 1/6th share of profit. The new profit sharing ratio will be 3:1:1. calculate the sacrificing ratio of A; and B'?





20. Akash, Bino and Cinoj are partners sharing profits in the ratio of 4:3:2. Cinoj retires from the firm. Calculate new profit sharing ratio and gaining ratio.
21. What are the reasons of preparing realisation account?

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Explain Branch Accounting with its types or categories.
23. On 1st January 2000 'Ram' and 'San' entered into a Partnership contributing Rs.40,000 and Rs.30,000 respectively, and sharing profits and losses in the ratio of 3:2. Ram is to be allowed salary of Rs. 6,000 per year. Interest on capital is to be allowed at 6% per annum. During the year ' Ram' withdrew Rs.3000 and 'San' withdrew Rs.4000. Interest on the same being Rs.150 and Rs.240. The profit of the year before the above mentioned adjustments was Rs.12,500.
Prepare profit and loss appropriation account and partners' capital accounts.
24. The Balance sheet of Anu, Binu and Cinu who are partners in a firm sharing profit and losses in the ratio of 5:3:2 as on 1st April 2016, stated as follows:

Liability	Amount	Assets	Amount
Creditors	68,000	Cash	50,000
Workmen's compensation fund	8,000	Debtors 22,000	
Bank loan	10,000	Less provision for doubtful debts <u>2,000</u>	20,000
capitals		Stock	50,000
Anu 50,000		Motor van	52,000
Binu 30,000		Profit and loss account	8,000
Cinu <u>20,000</u>	1,00,000	Patent	6,000
	1,86,000		1,86,000

Binu retired on the following terms:





1. The goodwill of the firm is fixed at Rs.35,000
2. Motor van be appreciated by 20%
3. Provision for doubtful debts brought down to Rs.1,000
4. The firm has unrecorded investment of Rs.5,000
5. Liability on workmen's compensation amounted to Rs.7,000
6. Binu's Account is settled by paying cash on retirement
7. Prepare Revaluation A/C.

25. Explain the Modes of Dissolution.

(2×15=30)

