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Reg. No.....

Name.....

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, MAY 2018

Second Semester

FINANCIAL ACCOUNTING—II

(For B.A. Corporate Economics)

[2013 to 2016 Admissions]

Time : Three Hours

Maximum Marks : 80

Answers may be written either in English or in Malayalam.

Part A (Short Answer Questions)

Answer all questions.

Each question carries 1 mark.

- | | |
|---------------------|-----------------------|
| 1. Minor partner. | 2. Sacrificing ratio. |
| 3. Default. | 4. Goods-in-transit. |
| 5. Invoice price. | 6. Down payment. |
| 7. Hire vendor. | 8. Foreign branch. |
| 9. Nominal partner. | 10. EDP. |

(10 × 1 = 10)

Part B (Brief Answer Questions)

Answer any eight questions.

Each question carries 2 marks.

11. Methods of valuation of goodwill.
12. What is gaining ratio ? How is it calculated ?
13. Types of branches.
14. Distinguish between Revaluation Account and Realisation Account.
15. Write down the advantages of mechanised accounting system.
16. What is piecemeal distribution ?
17. Contents of partnership deed.
18. Treatment of stock reserve.
19. Accounting treatment at the time of death of partner.
20. Differentiate between Hire Purchase and Instalment Purchase.

Turn over

21. Objects of Branch Accounts.
22. A and B are partners in a business sharing profits in the ratio of 5 : 3. They admitted C into partnership firm for $\frac{1}{6}$ th share. Calculate the new profit sharing ratio and sacrificing ratio.

(8 × 2 = 16)

Part C (Short Essay Type Questions)

Answer any six questions.

Each question carries 4 marks.

23. Write down the rules applicable at the time of absence of partnership deed.
24. Write down the methods of departmental accounting.
25. Write down the goodwill treatment at the time of partner with journal entry.
26. Features of hire purchase system.
27. Distinction between Departmental and Branch Accounts.
28. Pass Journal entries in the books of Head Office under stock and debtors system :
- Goods send to branch at cost Rs. 50,000.
 - Remittance received from branch Rs. 61,000.
 - Branch expenses Rs. 10,000 are paid by Head Office.
 - Profit earned by the branch Rs. 8,000.
29. Calculate the amount of goodwill at three year's purchase of last five years average profits. The profit are :
- 1st year—9,600 ; 2nd year—14,400 ; 3rd year—20,000 ; 4th year—6,000 ; 5th year—16,000.
30. On 1st January 2008, ABC Company bought a motor bike from Delhi Motors on hire purchase, the cash price of which was Rs. 52,000 and hire purchase price Rs. 60,000. It was agreed to pay Rs. 12,000 immediately and the balance in four yearly instalments of RS. 12,000 each. ABC Company writes off depreciation at 20 % p.a. on diminishing balance method. Calculate the amount of interest in each instalment and prepare necessary accounts of ABC Company.
31. A and B are the partners sharing profits in the ratio of 3 : 2. They admit C into partnership. C pay a premium of Rs. 1,000 for $\frac{1}{4}$ share of profit. No goodwill account appears in the books. They withdrew the amount of goodwill. Journalise the transactions.

(6 × 4 = 24)

Part D

Answer any two questions.

Each question carries 15 marks.

32. Describe the different modes in which a partnership may be dissolved in detail.

33. A, B and C are the partners in a firm profits and losses in the ratio of $\frac{1}{3}, \frac{1}{2}, \frac{1}{6}$ respectively. Their Balance Sheet as on 31-03-2015 was as follows :

<i>Liabilities</i>		Rs.	<i>Assets</i>		Rs.
Reserve Fund	...	16,000	Building	...	50,000
Capital :			Machinery	...	40,000
A	...	30,000	Furniture	...	10,000
B	...	40,000	Stock	...	25,000
C	...	25,000	Debtor	...	18,000
Loan payable	...	15,000	Less : Provision	...	500
Sundry Creditor	...	25,000	Cash	...	8,500
		<u>1,51,000</u>			<u>1,51,000</u>

C retires on 31-3-2015 subject to the following condition :—

- Goodwill of the firm is valued at 24,000.
- Machinery to be depreciated by 10 %.
- Furniture to be depreciated by 5 %.
- Stock to be appreciated by 15 %.
- Building to be appreciated by 10 %.
- Reserve for doubtful debts to be raised to Rs. 2,000.

Prepare necessary Ledger accounts and show the Balance Sheet of the new firm.

34. Desai & Co. here opened a branch at Delhi. The following is a list of transactions between the head office and branch for the year ending June 30, 2010 :

	Rs.
Stock at branch 31.07.2009	... 3,000
Goods supplied during the year	... 48,000
Salaries	... 2,400
Rent	... 720
Telephone	... 200
Petty expenses	... 300
Remittance received from branch during the year	... 55,000
Stock on 30-6-2010	... 2,500
Balance of petty cash	... 20

All branch expenses are paid by the head office. Show the branch account in Head Office books.

35. The following are the particulars from the books of a trader who sells goods of small value on hire purchase system at 50 % profit on cost.

Prepare Hire Purchase Trading Accounts for the year ending December 31, 2014 :

		Rs.
Jan. 1	Stock with customer	... 27,000
	Stock in shop	... 54,000
	Instalment due	... 15,000
Jan.1 to	Goods repossessed	
Dec. 31	(Instalment due Rs. 8,000 valued at Rs. 1,500 which had been included in the shop stock at the end at Rs.1,500)	
	Cash received from the customer	... 1,80,000
	Goods purchased during the year	... 1,80,000
	Hire expenses	... 167
Dec. 31	Stock in shop	... 61,500
	Instalments due	... 27,000

(2 × 15 = 30)