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Internal Examination, June 2021

(Online Mode)

Department of Commerce, Semester II

FINANCIAL ACCOUNTING II

Total : 40 marks

Time: 1.5 hours

Section A

Answer any 5 questions. Each question carries 2 marks.

1. What is hire purchase system? List any 4 features of hire purchase system.
2. Define branch. Explain the purpose of starting branches.
3. Explain debtors system in branch accounts.
4. What is dual pricing?
5. Differentiate between dissolution of partnership and dissolution of firm.
6. What is ASB? Briefly explain the functions of ASB.
7. From the following information, calculate annual instalment and hire purchase price:

Cash price of goods sold	Rs.10,893
Number of annual instalments	3
Rate of interest charged	5% p.a.
Present value of annuity of 5% for 3 years	Rs. 2.72325
8. Mixed goods were purchased for Rs.1,00,000 and later they were assorted into three categories A, B and C as follows:
 - A : 1,000 - Selling price Rs.20 each
 - B : 2,000 - Selling price Rs.22.50 each
 - C : 2,400 - Selling price Rs.25 each

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All categories yield the same rate of profit. Calculate the purchase price of each category.

(5 X 2 = 10)

Section B

Answer any 3 questions. It carries 5 marks.

9. Distinguish between hire purchase and credit sale.
10. Explain the modes of dissolution of partnership firm
11. Briefly explain the following Accounting Standards:
 - (a) AS 1
 - (b) AS 10
12. From the following particulars relating to Delhi branch of Mukesh & Sons, prepare branch accounts in the books of Head Office

Stock at branch on 01-04-2020		50,000
Petty cash at branch on 01-04-2020		1,000
Furniture as on 01-04-2020		20,000
Goods send to branch during the year		5,00,000
Cheque send to branch for:		
Salary	18,000	
Rent	3,000	
Petty cash	2,000	23,000
Goods returned by branch		25,000
Cash sales		4,00,000
Stock at branch on 31-03-2021		1,20,000
Furniture purchased on 01-10-2020		25,000

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Depreciate furniture @ 10%. Petty cash is maintained under imprest system.

13. From the following details, prepare departmental trading account.

Particulars	Department A (Rs.)	Department B (Rs.)
Opening stock	9,000	8,400
Total purchases	27,000	21,600
Total sales	42,000	36,000
Closing stock	10,800	4,800

Transfer of goods from Department A to B Rs.4,000 and transfer of services from Department B to A Rs.500

14. A,B and C are in partnership sharing profits and losses in the ratio of 3:3:4. They decided to dissolve the firm. At the date of dissolution their creditors amounted to Rs.16,000 and in the due course of dissolution, a contingent liability of Rs.2,650, not brought into the books, matured and had to be paid. Their capitals stood at Rs.12,000 , Rs.10,000 and Rs.8,000 respectively. B had given a loan of Rs.14,000 to the firm. The assets realised Rs.40,150.

Prepare realisation A/c, Partners' capital A/c and Bank A/c.

(3 X 5 = 15)

SECTION C

Answer any 1 question. It carries 15 marks

15. Aditi purchased a machinery from Blue Moon Agencies on hire purchase system on 01.01.2018. The cash price of the machine was Rs.1,00,000; Rs.20,000 to be paid on

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signing the agreement and the balance in four equal yearly instalments of Rs.20,000 plus interest at 5% p.a.

Aditi failed to pay the instalment due on 31.12.2019. Blue Moon Agencies took possession of the machinery and valued the same in their books after charging depreciation at 10% p.a. on Reducing Balance Method.

In 2020, Blue Moon Agencies incurred Rs.1,000 for reconditioning the machinery and sold it for Rs.90,000.

Show the important ledger accounts in the books of Aditi and Blue Moon Agencies.

16. Define Accounting Standards. Explain in detail the importance, need, benefits and demerits of Accounting Standards.

(15 X 1 = 15 marks)

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Instructions to Students

- 1. Exam should be written in A4 sheets only.*
- 2. Use Blue or Black ball point pen only.*
- 3. Page number, name, roll number and class should be written on each side of the sheet.*
- 4. After completing the exam, handwritten answers should be turned in as a single PDF file (Use of Adobe scan or Microsoft Office lens App are advised). Upload the PDF in Microsoft teams channel before the deadline.*
- 5. PDF of the scanned handwritten answers should be uploaded within the allotted time.*
- 6. Marks will be taken as your internals.*
- 7. One long essay question of 15 marks, three short essay questions of 5 marks each and 5 two marks questions. Total 40 marks exam for 1.5 hours duration.*
- 8. Any kind of discussion among the candidates during the exam may result in cancellation of the exam.*
- 9. In case of any doubts regarding questions / technical difficulties during the examination, the same should be brought to the notice of your respective Class teacher / Mentor / Subject teacher via Microsoft Teams/ Whatsapp/ Mobile.*
- 10. Video must be made on throughout the exam*

Exam Cell 2020 – 21

Principal

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