

Reg. No. :

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B.Com. (CBCS) DEGREE EXAMINATION

APRIL 2021

Second Semester

Commerce

FINANCIAL ACCOUNTING – II

(For those who joined in July 2016 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The relationship between the consignor and consignee is that of
 - (a) Principal and Agent
 - (b) Buyer and Seller
 - (c) Debtor and Creditor

- (d) Boss and Servant
2. Who is preparing proforma invoice in consignment?
(a) Banker (b) Wholeseller
(c) Consignee (d) Consignor
3. Which of the following items should not be entered in Receipts and payments account of a club?
(a) Sale of Old Newspaper
(b) Loss on sale of Old furniture
(c) Expenses paid for the previous year
(d) Subscription received in advance
4. Purchase of furniture by a club is
(a) Capital expenditure
(b) Revenue expense
(c) Capital Receipt
(d) Revenue Receipt
5. Memorandum Joint Venture account is a _____ account.
(a) Personal (b) Real
(c) Nominal (d) None of these
6. _____ is a temporary partnership
(a) Consignment (b) Company

(c) Sole trader (d) Joint venture

7. Average due date is also called as ____.

(a) Base date (b) Interest date

(c) Expired date (d) Equated date

8. Account current is usually sent by ____

(a) A banker to his customer

(b) An agent to his principal

(c) by a lender to the borrower

(d) All the above

9. Under the average clause, the loss is suffered by both insurer and insured

(a) in the ratio of risk covered

(b) 100% by the insurer

(c) in equal ratio

(d) in the capital ratio

10. Self balancing system consists of ____

(a) Cash book

(b) Debtors book

(c) Creditors book

(d) Debtors and Creditors book

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Explain the term "Account sales".

Or

(b) Balan consigned 100 packets of cosmetics each costing Rs.300 to his agent at mumbai. He paid Rs.500 towards freight and insurance. 15 packets were destroyed by fire on the way. Consignee took delivery of the remaining and spend Rs.700 as godown rent, Rs.1000 as import duty and Rs.300 as carriage outwards.

Calculate the value of abnormal loss.

12. (a) From the following prepare a Receipts and payments account.

	Rs.
Cash balance as on 1.1.2002	1,750
Bank balance as on 1.1.2002	16,800
Subscriptions received	28,000
Entrance Fees collected	10,500
Donations	3,500
Salary	10,500
Rent paid	4,200

Furniture purchased	10,500
Expenses on tournament	3,500
Printing and Stationery	1,750
Books	4,200
Miscellaneous expenses	1,050
Cash balance as on 31.12.2002	2,800

Or

(b)

Subscription received during the year 31.03.09	Rs.12,000
Subscription received for 31.03.2008	Rs.400
Subscription received in advance during the year 31.3.08	Rs.600
Subscription received in advance during the year 31.3.09	Rs.800
Subscription receivable for 31.3.09	Rs.750

How much is credited to income and
Expenditure a/c for the year ending 31.03.09.

13. (a) Write short notes of the following

- (i) Joint venture
- (ii) Co-ventures
- (iii) Memorandum Joint Venture a/c

Or

(b) Differentiate Joint venture with consignment.

14. (a) A partner has withdrawn the following sums of money during the half year ending 30.6.1998.

15.1.1998	-	Rs.1,000
10.2.1998	-	Rs.800
12.3.1998	-	Rs.1,400
5.4.1998	-	Rs.1,600
20.5.1998	-	Rs.2,000
16.6.1998	-	Rs.1,500

Find out the average due date

Or

- (b) Explain "Red-ink interest".

15. (a) A fire occurred on 15th September 1996 in the business premises from the following figures ascertain the claim to be lodged.

	Rs.
Stock on 1st April 1996	1,05,000
Purchases from 1st April to the date of fire	3,50,000
manufacturing expenses	2,60,000
Sales from 1st April to the date of Fire	6,76,000
goods used by the partner privately (cost)	10,500

The rate of gross profit is 30% on cost. The stock salvaged is Rs.36000

Or

- (b) Differentiate self balancing with sectional balancing.

PART C — ($5 \times 8 = 40$ marks)

Answer ALL questions, choosing either (a) or (b)

Each answer should not exceed 600 words.

16. (a) Explain the differences between sale and consignment.

Or

- (b) Rajani consigned 100 T.V. sets each costing Rs.4000 to Santhi Madras. Ranjani spent Rs.5000 towards freight and insurance.

During transit 5 T.V. sets were badly damaged and insurance company accepted the claim for Rs.18000 only.

Santhi took delivery of the remaining 95 sets and spent Rs.1900 towards direct expenses and Rs.800 towards indirect expenses. Santhi entitled to 5% commission on sales. 80 T.V. sets were sold at Rs.4500 each by Santhi.

Show the necessary ledger a/cs in the books of Ranjani.

17. (a) What are the features of Joint venture?

Or

- (b) Koshi and Joshi were partners in a Joint venture sharing profits and losses in the proportion of $\frac{3}{5}$ and $\frac{2}{5}$ respectively. Koshi supplies goods to the value of Rs.10000 and

incurs on freight Rs.500. Joshi also supplied goods to the value of Rs.8000 and incurs Rs.400 towards freight and other incidental charges. Joshi sells the entire stock of goods on behalf of the Joint venture for Rs.25000. Joshi is also entitled to a commission of 5% on sales. Joshi settles his account by remitting a bank draft. Prepare ledger accounts in the books of both Koshi and Joshi.

18. (a) Explain capital Expenditure and Revenue expenditure.

Or

- (b) What is Deferred Revenue Expenditure? Give examples.

19. (a) A partner had withdrawn the following sums of money during the half year ending 30th June 1998.

Jan 15	Rs.300
Feb 28	Rs.250
Mar 10	Rs.150
Mar 26	Rs.200
April 20	Rs.400
May 16	Rs.300
June 18	Rs.500

Interest to be charged at 8% p.a. Find out the average due date and calculate the amount of interest to be debited to the partner.

Or

- (b) Mr. Babu had the following transactions with Suba during the year 2002.

		Rs.
July 1	Balance due from Suba	600
July 15	Send goods to Suba	1,900
Aug 10	Received cash from Suba	1,100
Aug 19	Purchased goods from Suba	700
Sep 3	Returned goods to Suba	300
Sep 16	Received cash from Suba	500

Prepare Account current to be rendered by Balu to Suba as on 30th Sep 2002. Calculating interest at 10% per annum.

20. (a) Explain the procedure to calculate the loss of profit.

Or

- (b) From the following particulars prepare the necessary adjustment accounts in the General ledger.

Jan 1 2003		Rs.
	Balance on Bought ledger (Dr)	1,740
	Balance on Bought ledger (Cr)	23,880
	Balance on Sales ledger (Dr)	29,240
	Balance on Sales ledger (Cr)	480
Jan 31 2003	Purchase	1,32,360
	Purchase return	51,20
	Sales	1,74,980
	Sales return	2,340

Cash received from customer	1,52,420
Discount allowed	5,640
Cash paid to supplier	1,16,860
Discount received	3,320
Cash paid to customers	260
Bills receivable	8,240
Bills payable	4,500
Bills Receivable dishonoured	500
Bought ledger Balance (Dr)	1,540
Sales Ledger Balance (Cr)	36,700
