

Reg. No. :

Code No. : 12003 E Sub. Code : SMCO 21/
AMCO 21

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

Second Semester

Commerce – Core

FINANCIAL ACCOUNTING – II

(For those who joined in July 2017-2020)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. A periodical statement which is prepared by the consignee is known as _____
(a) Account sales (b) Sales account
(c) Proforma sales (d) None of these
2. The stock on consignment account is _____
(a) An asset (b) A liability
(c) An income (d) An expense

3. Receipts and Payments account is similar to a _____
 (a) Balance sheet (b) Trial balance
 (c) Cash book (d) Profit and loss a/c
4. The cost of furniture purchased for sale is _____ expenditure.
 (a) Capital (b) Revenue
 (c) Liability (d) Both (a) and (b)
5. The owners of a joint venture are known as _____
 (a) Co-ventures (b) Partners
 (c) Shareholders (d) Co-parceners
6. Profit and loss on joint venture is transferred to _____
 (a) Profit and loss a/c (b) Co-venture's a/c
 (c) Joint venture a/c (d) Partnership
7. When the due date of transaction falls on a public holiday the due date will be _____
 (a) The same day
 (b) One day after the holiday
 (c) One day before the holiday
 (d) None of these
8. Calculation of average due date requires selection of _____ date
 (a) Opening (b) Closing
 (c) Middle (d) Base

9. Consequential loss of policy covers _____
 (a) Loss of net profit
 (b) Non-recurring standing charges
 (c) Increased cost of working
 (d) All of these
10. Goodwill a/c will be opened in _____
 (a) Sales Ledger adjustment a/c
 (b) Bought ledger adjustment a/c
 (c) General ledger adjustment a/c
 (d) None of these

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).
 Each answer should not exceed 250 words.

11. (a) Siva consigned 1,000 kg vegetables costing Rs. 4,500. Expenses incurred were Rs.600. If loss due to natural deterioration in quality is 10 kg and if 810 kg were sold.
 Calculate the cost of unsold stock.

Or

- (b) Write a note on:
 (i) Del-credere commission
 (ii) Over riding commission

12. (a) Distinguish between Receipts and Payment a/c and Income and Expenditure a/c.

Or

- (b) Calculate what amount will be posted to Income and Expenditure a/c for stationery from the following:

Particulars	Rs.
Stock of Stationery on Jan.1, 2019	300
Creditors for stationery Jan.1, 2019	200
Advance paid for stationery Dec.31, 2018	20
Amount paid for stationery in 2019	1,080
Stock of stationery Dec.31, 2019	50
Creditors for stationery Dec.31, 2019	180
Advance paid for stationery Dec.31, 2019	30

13. (a) Arun and Balu were partners in a joint venture sharing profits and losses in the ratio of 3 : 2. Arun supplied goods for Rs. 6,000 and incurred Rs. 200 as expenses. Balu supplied goods worth Rs. 5,000 and spent Rs. 800 as expenses. Balu sold all the goods for Rs. 18,000. Balu is entitled to a commission of 4% on sales. He settled his account by sending a bank draft to Arun.

Prepare Joint venture Account in the books of Arun.

Or

- (b) Senthil and Saravanan entered into a joint venture, the former contributing Rs. 80,000 and the latter Rs.50,000. They opened a joint bank account and agreed to share profit $\frac{1}{3}$ rd and $\frac{2}{3}$ rd respectively. They purchased goods for cash Rs.80,000 and Saravanan supplied goods to the value of Rs.40,000. The entire goods were sold for Rs.1,70,000 paying Rs.4,100 towards to expenses. Senthil was entitled to a commission of 3% on sales.

Show Joint Venture account and Joint Bank account.

14. (a) Kannan owes Mani the following sums of money on the dates stated below Rs. 4,000 due on 10/01/2016

Rs. 5,000 due on 10/02/2016

Rs. 6,000 due on 25/03/2016

Rs. 7,000 due on 18/04/2016

Rs. 8,000 due on 20/04/2016

Calculate the Average Due Date.

Or

- (b) On 1st January 2018, Surya owed Rs. 5,000 to Kannan. prepare an 'Account Current' to be rendered by Kannan for the period up to 30th June 2018. Interest is charged 6% pa.

Date	Particulars	Rs.
2018		
Jan 16	Received from Surya	2,000
Jan 25	Sold goods on credit for one month	1,000
Feb 10	Received 3 months acceptance	2,000
March 1	Bought goods from Surya	1,500
April 20	Advanced to Surya	500
May 7	Surya bought goods	1,200
June 9	Remitted by Surya	800

15. (a) A fire occurred on 15th March 2015 in the premises of a company. From the following find out the amount of claim to be lodged in case of the loss of stock which was insured;

	Rs.
Stock (01/01/2015)	2,00,000
Purchases from 01/01/15 to 15/03/15	6,00,000
Wages	1,50,000
Manufacturing expenses	50,000
Sales from 01/01/15 to 15/03/15	10,00,000
The gross profit ratio is 20%. The stock salvaged was Rs. 20,000.	

Or

- (b) From the following information prepare Sales Ledger adjustment account.

	Rs.
1.1.2016 Balance of debtors	40,000
31.01.2016 Sales	1,00,000
Sales returns	2,000
Cash received from debtors	30,000
Bills received from debtors	10,000
Discount allowed	1,000
Transfer to bought ledger	200

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)
Each answer should not exceed 600 words.

16. (a) D of Chennai consigned to J of Trichy goods to the value of Rs. 60,000. (Cost Rs. 40,000). He pays Rs. 4,000 for freight and insurance. D draws a bill on J for Rs. 40,000 payable after 60 days.

9/10 of the consignment as sold by J Rs. 70,000 and expenses of Rs. 4,000 were incurred. J is also entitled to a commission of 10% on sales. J remitted to D his net amount by a demand draft.

Show Ledger accounts in the books of D.

Or

- (b) Seetha Oil Ltd., consigned 2,000 kg Oil to Suresh & Co. to be sold consignment basis.

The cost of one kg of oil was Rs. 45. Seetha oil Ltd spent Rs. 5,000 on freight, packing etc.

After sometimes, Suresh & Co. sent the following report.

Normal (leakage) loss – 100 Kg

Abnormal loss due to mishandling – 100 Kg

Sale – 1,500 Kg Rs. 60 each

Commission – 5 % on sale proceeds

Prepare Consignment a/c in the books of Seetha Oil Ltd.

17. (a) From the following details prepare an Income and Expenditure account and Balance sheet for the year ending 31st December 2019.

Receipts and Payment Account

Receipts	Rs.	Payments	Rs.
To balance b/d	250	By salaries	1,200
To subscription for		By General expenses	300
1998	250	By Electricity	200
1999	1,000	By Books	100
2000	<u>200</u>	By Newspapers	400
By sale of old furniture		By Postage	50
(cost Rs.100)	60	By Furniture	250

Receipts	Rs.	Payments	Rs.
By rent received	740	Balance c/d	500
By Entertainment gains	400		
By sale of new papers	100		
	<u>3,000</u>		<u>3,000</u>

Additional Information :

- The club has 50 members each paying an annual subscription of Rs. 25. Subscriptions outstanding on 31st December 2018 were Rs. 300
- On December 31, 2019 Salaries outstanding amounted to Rs. 100. Salaries paid include Rs. 100 for the year 2018.
- On 01.01.2019 the club owned land and building valued at Rs. 10,000; furniture Rs. 600 and books Rs. 500.

Or

- (b) The following is the Receipts and Payment's a/c of Vani Nursing Home for the year ended 30.06.1999.

Receipts	Rs.	Payments	Rs.
To Balance (1.7.98)	2,010	By Salaries of Nurses	656
To Subscriptions	1,115	By Boarding etc.,	380
To Fees from		By Rent and Taxes	200
Non-members	270	By Cost of vehicle	2,000

Receipts	Rs.	Payments	Rs.
To Municipal grant	1,000	By Expenses of vehicle	840
To Donations for Building fund	1,560	By Drugs	670
To Interest	38	By Balance c/d	1,247
	<u>5,993</u>		<u>5,993</u>

Additional information:

- (i) The home owns freehold land Rs.8,000.
- (ii) A donation of Rs. 100 received for the building fund was wrongly included in the subscription account.
- (iii) A bill for medicine purchased during the year amounting to Rs. 129 was outstanding. Prepare Income and Expenditure a/c for the year and Balance sheet as at 30.06.1999.

18. (a) A and B doing business separately as building contractors, undertake jointly to construct a building for a newly started joint stock company for a contract price of Rs. 1,00,000 payable as to Rs. 80,000 by installments in cash and Rs. 20,000 in fully paid shares of a company. A banking account is opened in their joint names, A paying Rs. 25,000 and B

Rs. 15,000. They are to share profit and losses in the proportion of 2/3 and 1/3 respectively.

Their transactions as follows:

	Rs.
Paid wages	30,000
Bought materials	70,000
Materials supplied by A	5,000
Materials supplied by B	4,000
Architect's fees paid by A	2,000

The contract was completed and the price (cash and shares) duly received. The joint venture was closed by 'A' taking up all the shares of the company at an agreed valuation of Rs. 16,000 and 'B' taking up the stock of materials at an agreed valuation of Rs. 3,000.

Show the necessary Ledger accounts.

Or

- (b) Maran and somu entered into joint venture to timber business profits were to be divided equally. Maran was to purchase timber and send it to somu who would sell it.

On 1.3.1997 Maran purchased timber worth Rs.80,000 and incurred Rs.3,600 as expenses and forwarding it to Somu. He immediately drew upon Somu for Rs. 80,000 for 3 months. The acceptance was discounted at 6% p.a.

Somu paid Rs. 2,000 as freight Rs. 1,000 as commission and Rs. 800 as rent. The whole things were disposed of for Rs. 1,20,000. He send a cheque to Maran for the amount due on 30.06.1997.

Prepare ledger accounts in the book of Maran and Somu.

19. (a) Describe the methods of calculating interest under Account Current.

Or

- (b) A partner has withdrawn the following sums of money during the half year ended June 30, 2016.

Months	Date	Rs.
January	10	2,000
February	18	1,200
March	4	600
April	12	800
May	21	1,000
June	1	600

Find out the Average Due date and calculate the interest to be charged at the rate of 10% for the half year ended June 30, 2016.

20. (a) From the following figures relating to April 2005, find out Debtors a/c and Credit Purchases.

Particulars	Rs.
Balances, 1 st April 2005:	
Debtors	22,000
Creditors	9,000
Credit purchases	26,000
Credit Sales	40,000
Cash received from customers	37,000
Bills payable issued	5,000
Cash paid to creditors	19,000
Bills receivable received	4,000
Bills receivable dishonoured	500
Bad debts written off	600
Cash sales	7,000
Discount received from creditors	1,000
Discount allowed to customers	1,500
Balances as on 30.04.2005:	
Debtors	19,400
Creditors	10,000

Or

- (b) From the following details, ascertain the value of claim under a Loss of Profit Policy.

Particulars	Rs.
Indemnity period 6 months	
Date of fire 01.10.1997	
Sales affected up to 28.02.1998	
Sales for the year 1996-97	2,40,000
Net profit for the year 1996-97	26,000
Standing charges (1996-97)	34,000
Sales for the year ending 30.09.1997	3,00,000
Sales from 1.10.97 to 28.2.1998	15,000
Sales from 1.10.96 to 28.2.1997	60,000
Value of policy	50,000