

FACULTY OF COMMERCE

B.Com. (CBCS)(II – Semester) Examination, May/June, 2018
(Common Paper for General/Computers /Computer

Applications/Advertising/Foreign Trade/ and Taxation Courses)

FINANCIAL ACCOUNTING – II

Paper Code – BC – 204

Time: 3 Hours

Max. Marks: 80

PART – A (5X4=20 Marks)

Note: Answer any FIVE of the following questions not exceeding 20 lines each.

- 1 Renewal of a bill.
- 2 Goods sent at Invoice Price
- 3 Joint Venture.
- 4 List out any four differences between single entry System and Double Entry System.
- 5 Del Credere commission.
- 6 Promissory Note.
- 7 Consignment
- 8 From the following particulars, calculate the amount to be shown in the Income tax and Expenditure Account For Subscriptions received in the current year are :

Last Year	Rs.25,000
Current Year	Rs.2,25,000
Next Year	Rs.20,000
Subscriptions outstanding in the last year	Rs.37,500
Subscriptions outstanding for the current Year	Rs.50,000
Subscriptions received in advance in last year for the current year	Rs.32,500
Subscriptions received in advance in current year for the next year	Rs.10,000

PART – B (5X12=60 Marks)

Note: Answer all the questions in not exceeding 4 pages each.

- 9 a) Manish purchased goods with Rs.3,60,000 from Malhotra on 1st January 2018. He pays Rs.1,20,000 immediately in cash and sends his acceptance to a bill to Malhotra for 4 months for the remaining amount. Malhotra gets it discounted at 6% p.a. Pass Journal entries in the books of Manish as well as Malhotra assuming that the bill was met the due date

OR

- b) What do you mean by Retirement of Bill under Rebate? How it is different from Dishonor of Bill?

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- 10 a) Prerna of Delhi consigned goods of value Rs. 2,00,000 to Anurag of Mumbai to be sold at 5% commission. Prerna paid freight Rs.12,000, insurance and other charges Rs.8,000. A cheque was received for Rs.12,000 from Anurag as an advance against the consignment. In due course, an Account sales was received from Anurag stating that half the consignment was disposed off realizing Rs.1,80,000. Expenses incurred being Rs.11,000. A cheque was enclosed for the balance. Give the Journal entries and open necessary ledger accounts in the books of both the parties.

OR

- b) What is Abnormal loss, how it is different from Normal loss? Explain with suitable examples.
- 11 a) Surya bought goods of the value of Rs.45,000 and sent them to Chandra on a Joint Venture. It was decided that the profits would be divided equally. On the same day Surya paid Rs.2,700 and drew a bill on Chandra for Rs.18,000 and discounted the bill for Rs.17,640. On receipt of the goods, Chandra paid carriage of Rs.900 and insurance of Rs.1,200. Surya received an Account sales showing that the goods had realized Rs.76,500 gross. Pass Journal entries and prepare the necessary Ledger accounts showing the results of Joint Venture in the books of both the parties assuming that the final settlement was made.

OR

- b) P and Q entered into a Joint Venture. They contributed Rs.20,000 and Rs.16,000 respectively and decided to share profits and losses in the ratio of 3:4. The purchases are Rs.32,000 and the sales amounted to Rs.40,000. The remaining stock is taken over by Q for Rs.2,000. Expenses paid are Rs.1,600. P drew from the Venture Rs.8,000 Pass Journal entries and prepare the necessary ledger accounts for the Joint Venture.
12. (a) Mr. Careless keeps his records under the Single Entry System.

Particulars	1-4-2017	31-03-2018
Bank O/D	10,000	12,000
Furniture	20,000	20,000
Building	70,000	70,000
Investment	-	10,000
Debtors	20,000	30,000
Creditors	30,000	40,000
Stock	45,000	50,000
Jeep(1-10-2017)	-	20,000
Cash	10,000	20,000
Plant and Machinery	40,000	40,000

During the year he withdrew Rs.10,000 for personal use on 1-10-2017, and he

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introduced further capital of Rs.20,000.

- (i) Reserve for Bad and Doubtful debts is to be maintained at Rs.5% on debtors.
- (ii) Plant and Machinery to be depreciated at 10%, Furniture at 5% and Jeep 10%.
- (iii) Appreciate Building by 20%
- (iv) Debtors included Rs.1,000 from an insolvent customer

Ascertain profit or loss and prepare statement of Affairs.

OR

- (b) Mrs. P has not kept proper books of account. From the balances obtained prepare statement of Profit or loss for the year 2018-18 and Statement of Affairs as on that date.

Particular	1-4-2017	31-03-2018
Bank O/D	2,25,000	2,00,000
Furniture	23,000	23,000
Land & Building	2,65,000	2,65,000
Debtors	1,51,000	1,49,000
Creditors	1,93,000	1,86,000
Stock	2,96,750	3,11,000
Cash	26,750	27,000
Bills Receivable	2,12,000	2,04,000
Bills Payable	3,10,000	2,90,000

During the year, he withdrew Rs.30,000 for personal use.

Adjustments:

- (i) Maintain Provision for Doubtful debts at 2.5% on debtors.
 - (ii) Depreciate Land and building by 2% and furniture at 10%.
- 13(a) From the following Receipts and Payments account of XYZ charitable Hospital, Prepare Income and Expenditure account for the year ending 31-3-2018 and Balance sheet as on that date.

Receipts	Amount	Payments	Amount
To Balance b/d	40,200	By salaries	13,120
To subscriptions	22,300	By Boarding	7,600
To fees from Non-members	5,400	By Rent and Taxes	4,000
To Municipal Grant	760	By Cost of Vehicle	40,000
To Donations for Buildings	31,200	By Expenses of Vehicles	16,800
		By Drugs	13,400
		By Balance c/d	24,940
	1,19,860		1,19,860

The Hospital owns Freehold land Rs.1,60,000. A donation of Rs.2,000 received for the Building fund was wrongly included in the subscription Account. A bill for medicines purchased during the year amounting to Rs.2,580 was outstanding. Prepare Income and Expenditure account for the year and Balance sheet as on 31-3-2018.

OR

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b) Receipts and Payments account of Sania Sports Club for the year 2017-18 is given below.

Receipts	Amount	Payments	Amount
To Donations	42,000	By salaries	9,900
To life Membership fee	15,000	By furniture	35,100
To Tournament Fund	24,000	By Games expenses	7,500
To subscriptions	19,500	By printing and Stationary	9,300
To Entrance fees	3,600	By Tournament expenses	9,000
To Donations for computers	15,000	By sports equipment bought	42,000
To sale of old Newspapers	1,500	By balance c/d	7,800
	1,20,600		1,20,600

Additional Information:

- (i) Subscriptions receivable for 2016-17 is Rs.4,500 and for 2017-18 is Rs.7,500
(ii) Value of sports equipment on 1-04-2017 is Rs.3,000 and on 31-03-2018 is Rs. 27,000
(iii) Provide Rs.3,000 for depreciation on furniture.

Prepare Income and expenditure account for the year and Balance sheet as on 31-03-2018.
