

INTERNAL EXAMINATION-2020

B.Com 3rd SEMESTER HONOURS

SUBJECT- FINANCIAL ACCOUNTING (CC3.1CH)

FULL MARKS: 50, TIME: 2HOURS

Answer any 5 from the following:

5X10

1. S trader ltd sends goods to its Mumbai branch at cost plus 25%. From the following particulars you are required to show the necessary ledger accounts (under stock-debtors system) in the books of H.O.:

	Rs.		Rs.
OPENING STOCK WITH BRANCH(AT COST)	50000	SALES	250000
GOODS SENT TO BRANCH (AT INVOICE)	200000	EXPENSES	30000
GOODS RETURNED BY BRANCH (INVOICE)	10000	CLOSING STOCK WITH BRANCH(AT COST)	75000
LOST-IN-TRANSIT (AT INVOICE PRICE)	25000	INSURANCE CLAIM RECOVERED	20000
PILFERAGE (INVOICE)	5000		
NORMAL LOSS	1000		

2. On 1/1/19 Q Co. purchased 4 Trucks from Hind Auto Ltd. on hire purchase terms. The cash price of each truck was Rs. 29800, Rs. 8000 per Truck was to be paid on the date of purchase and the balance in three equal installments of Rs. 8000 each on every 31st December subject to the interest of 5% p.a. The rate of depreciation being 10% on diminishing balance. Q Co. paid the first two installments but failed the third and subsequently Hind Auto Ltd reposed one Truck. Hind Auto depreciated the Truck @ 15% p.a. on diminishing balance method. Prepare Truck A/C and Hind Auto Ltd A/C in the books of Q Co.

3. Prepare Departmental Trading Account from following particulars assuming that the rate of Gross profit is same in each case:

	Dept A	Dept B	Dept C
	Units	units	units
Purchases (at a total cost of Rs. 100000)	1000	2000	2400
Opening stock	120	80	152
Sales	1020	1920	2496
	(@Rs.20 each)	(@Rs.22.5 each)	(@Rs.25each)

4. Discuss the procedure of treating joint life policy on death and retirement of any partner.

5. Distinguish between:

- (a) Synthetic method and analytical method of branch accounting
- (b) Hire purchase system and installment payment system.

6. Discuss the process of determining liabilities of underwriter in case of full and partial underwriting.

7. P,Q and R are partners sharing P/L in the ratio of 5:3:2. The business is dissolved on 31/12/19 when the Balance Sheet stands as follows:

LIABILITIES	Rs.	ASSETS	Rs.
CAPITAL		MACHINERY	50000
P	10000	CAR	10000
Q	40000	STOCK	60000
R	20000	DEBTORS	45000
CREDITORS	100000	BANK	5000
	170000		120000

Machinery and stock are sold for Rs.25000 and Rs.18000 respectively. Car is taken by Q for Rs.12000. debtors realized Rs.20000. deficiency of any partner in capital account is to be met by other partners in the profit sharing ratio. P is insolvent and R can bring only Rs.5000. prepare the necessary accounts in the books of the firm.

8. Discuss the different methods of treating goodwill under admission of partners.

9. N Securities Ltd. is an investment company . the following data relates to the dealings in 12% debentures of MN Ltd. on which the interests are paid on 31st March and 30th September of each year.

1/2/19: Bought Rs. 200000 debentures ex-interest for Rs. 127000.

1/6/19: Bought 1600 Rs. 100 debentures cum-interest @ Rs. 105.

1/10/19: Sold Rs. 80000 debentures for Rs. 89720 cum-interest.

1/11/19: Sold Rs. 60000 debenture @ 110 ex-interest.

Brokerage being 1/8%. Prepare Investment account for the year ending 28th February 2020, assuming that the sales are on FIFO.

10. Discuss the different provisions of incorporating the profit / loss of a business prior to its incorporation.