

Total No. of Printed Pages: 4

**SUBJECT CODE NO: - 3040**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**B.Com F.Y Sem-II**  
**EXAMINATION JUNE / JULY 2022**  
**Financial Accounting - II**

[Time: 3:45 Hours]

[Max. Marks:80]

Please check whether you have got the right question paper.

- N.B.
- i) Q. No. 1 is compulsory.
  - ii) Attempt any four Questions from Q. No. 2 to Q. No. 7.
  - iii) Use of Calculator is allowed.

Q.1 A] Select the most appropriate answer.

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- i) Subscription received in advance is \_\_\_\_\_.
  - a) Income
  - b) Assets
  - c) Liability
  - d) None of these
- ii) Stock Reserve in relation to closing stock appears on the \_\_\_\_\_.
  - a) Credit side of Branch A/C
  - b) Debit side of Branch Debtors A/C
  - c) Debit side of Branch A/C
  - d) Credit side of Branch Debtors A/C
- iii) Consignment is the dispatch of goods to \_\_\_\_\_ for the purpose of storage and sale.
  - a) Customer
  - b) An agent
  - c) Creditors
  - d) None of these
- iv) In departmental account, advertisement expenses are allocated on basis of \_\_\_\_\_.
  - a) Sales
  - b) Purchases
  - c) Wages
  - d) None of these
- v) Valuation of inventories is relate to \_\_\_\_\_.
  - a) AS – 1
  - b) AS – 2
  - c) AS – 9
  - d) AS – 17

B] Answer the following questions in one sentence.

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- i) What is Proforma Invoice?

- ii) What do you mean by Dependent Branch?
- iii) What is Accounting Standards?
- iv) State the basis of allocation of Salary to factory Manager in Departmental Account.
- v) What do you mean by Non-Trading concerns?

C] Fill in the blanks and rewrite the sentence.

- i) Non-Trading concerns prepare \_\_\_\_\_ instead of Profit & Loss A/C.
- ii) Segment Reporting is relate to \_\_\_\_\_.
- iii) Consignment Stock is credited to \_\_\_\_\_.
- iv) Accounting Standards in India are issued by \_\_\_\_\_.
- v) Credit Sales by branch are debited to \_\_\_\_\_.

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D] State the following statements are True or False.

- i) Losses which cannot be avoided are normal losses.
- ii) A Surplus is a asset of Non-Trading concern.
- iii) AS – I is relate to Disclosure of Accounting Policies.
- iv) Remittances from branch are shown on the liability side.
- v) Management expenses are charged to General Profit & Loss A/C.

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Q.2 The following is the Receipts and Payments Account of the Aurangabad Club for the year ending 31<sup>st</sup> December 2018.

15

#### Receipts and Payments Account

Receipts	Rs.	Payments	Rs.
To Balance bid	6,000	By Rent	1,04,000
To Entrance fees	11,000	By Stationary Expenses	61,360
To Subscription			
2017	4,000	By Wages	1,06,600
2018	3,38,000	By Billiards table	78,000
2019	6,000	By Repairs and Renewals	16,120
To Lockers Rent	10,000	By Interest	30,000
To Special Subscription for Governors Party	69,000	By Balance Cid	47,920
	4,44,000		4,44,000

#### Additional Information:

- i) Lockers Rent include Rs. 1,200 refers to the year 2017 and Rs. 1,800 is still owing.
- ii) Rent Rs. 26,000 Pertaining to the year 2017 and Rs. 26,000 is still owing.
- iii) Stationary expenses are included Rs. 6,240 Pertaining to 2017 and Rs. 7,280 is still owing.
- iv) Subscription is unpaid for the year 2018 Rs. 17,360 and Special Subscription for Governors Party was outstanding Rs. 11,000.
- v) The Club owned sports materials of the value Rs. 3,20,000 on 1.1.2018 and this was valued at Rs. 2,70,000 on 31<sup>st</sup> December, 2018.
- vi) The Club took a loan of Rs. 4,00,000 in 2017.

Prepare the Income and Expenditure A/C for the year ended 31<sup>st</sup> December 2018 and Balance

Sheet as on that date.

- Q.3 The Bombay General Stores invoices goods to their Branch at cost and the Branch sell the goods 15 not only for cash but on credit also. Expenses of branch are paid by the Head Office. From the following Particulars, Prepare Branch Account and Branch Debtors Account in the Head Office books for the year ending 31<sup>st</sup> March, 2019.

Particulars	Rs.
Stock (On 1-4-2018)	80,000
Branch Debtors (On 1-4-2018)	40,000
Petty Cash On 1.4.2018	5,000
Furniture at branch on 1.4.2018	60,000
Goods sent to branch	2,20,000
Goods return by branch	8,000
Cheque Sent for:	
Salary	20,000
Rent	10,000
Petty Cash	<u>3,000</u>
	33,000
Cash remitted by branch during 2018-19:	
Cash Sales	1,00,000
Cash received from Debtors	90,000
Credit Sales during the year 2018-19	2,50,000
Goods return by debtors	4,000
Discount allowed to debtors	5,000
Bad debts	1,000
Stock on 31.3.2019	1,00,000
Petty Cash on 31.3.2019	2,000

Charge depreciation on furniture at 10%.

- Q.4 From the following Trial Balance, Prepare the Departmental Trading A/C and Profit & Loss A/C 15 for the year ending on 31<sup>st</sup> March 2019 in the Books of Mr. Vikas.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Opening Stock:		
Dept. A	50,000	-
Dept. B	40,000	-
Purchases:		
Dept. A	90,000	-
Dept. B	70,000	-
Sales:		
Dept. A	-	2,00,000
Dept. B	-	1,50,000
Wages:		
Dept. A	15,000	-
Dept. B	5,000	-
Salaries	21,500	-

Rent Paid	24,000	-
Discount	7,000	8,000
Advertisement	35,000	-
Carriage Inwards	16,000	-
Carriage Outwards	3,500	-
Furniture	10,000	-
Machinery	40,000	-
Sundry Debtors	38,000	-
Sundry Creditors	-	42,000
Capital	-	1,00,000
Drawings	20,000	-
Cash and Bank Balance	15,000	-
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

**Additional Information:**

- i) Stock on 31<sup>st</sup> March 2019:  
Dept – ‘A’ – Rs. 40,000  
Dept – ‘B’ – Rs. 30,000
- ii) Depreciation on Furniture and Machinery was at 10 % P.a.
- iii) The value of services of Rs. 2,000 rendered by Dept. B to Dept. A is included in wages.
- iv) Rent to be allocated between Factory and Office in the Ratio of 3:1.
- v) Rent, Salaries and Depreciation are to be apportioned to Departments as 3:2
- vi) Other expenses and income are to be apportioned in departments on a suitable basis.

**Q.5** Mr. Ajitkumar of Beed Consigned 300 Chest of tea at Rs. 2,000 per chest to Jayprakash of Aurangabad Paying freight Rs. 4000 and other expenses Rs. 2,000. Jaiprakash sold 250 chests at Rs. 2,500 per chest and 25 chests at Rs. 2,200 per chest for cash. Jayprakash spent for freight and octroi Rs. 3000 and other expenses Rs. 1000. He remitted the amount due to Ajitkumar after deducting his commission at 5 % (normal), 2.5 % as overriding and ½ % as del-creder commission to be given on total sales. Jayprakash found that one customer to whom credit was allowed paid only Rs. 4,800 against Rs. 5000 in full settlement.

Pass Journal entries and show Consignment Account in the books of Mr. Ajitkumar (Consignor).

**Q.6** Explain in brief ‘Accounting for Fixed Assets’ as per AS – 10. 15

**Q.7** Write short notes on the following (attempt any three). 15

- i) Consignment Stock
- ii) Abnormal loss
- iii) Receipts and Payments Account
- iv) Inter-departmental transfer
- v) AS – 2.