

Bachelor of Commerce (B.Com.) Semester-III Examination**FINANCIAL ACCOUNTING—II****Compulsory Paper—1**

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

1. (A) What do you mean by consignment ? State the characteristics of consignment. 8

(B) M/s Shradha and Co. of Amravati consigned 90 cases of glassware to M/s Kapoor and Co. of Nagpur (Cost price Rs. 82,470) for sale. The consignor paid freight and carriage Rs. 1,080. The commission 5% is fixed on gross sale. On the arrival of goods M/s Kapoor and Co. paid clearing charges Rs. 470, carriage Rs. 200, Sundry charges Rs. 60 and Godown charges Rs. 100. Goods were sold as follows :

44 cases @ Rs. 1,050 per case.

30 cases @ Rs. 1,000 per case.

Remaining cases for Rs. 20,000.

M/s Kapoor and Co. sent a draft for Rs. 12,000 to M/s Shradha and Co. At the end M/s Kapoor and Co. sent an account sales together with a bank draft for the balance.

Give journal entries in the books of Kapoor and Co. Nagpur and prepare M/s Shradha and Co. Account. 8

OR

(C) Kamal Industries Ltd. Delhi consigned 400 units of a certain product 'Z' to M/s Saikrupa Co. Nagpur at the rate of Rs. 1,000 each units.

The invoice price is computed by adding 25% to cost Kamal Industries Ltd. paid Rs. 4,000 per insurance, Rs. 6,000 for carriage and Rs. 8,000 towards other expenses. M/s Saikrupa Co. accepted a bill for Rs. 2,00,000. The bill was discounted by the consignor for Rs. 1,97,000.

In due course of time Saikrupa Co. sent an Accounts Sales comprising of :

(1) Credit sales of 240 units @ Rs. 1,500 each.

(2) Cash sales of 120 units @ Rs. 1,200 each.

(3) Expenses :

Godown Rent Rs. 6,000

Carriage on Sale Rs. 4,000

Commission Rs. 36,000

(4) No. of units kept for own use 10 @ Rs. 1,250 each.

(5) Cash collected from debtors Rs. 3,00,000 after allowing discount Rs. 6,000 and writing off bad debts Rs. 6,000 (Discount is to be treated as consignment expenditure) Balance was remitted by demand draft.

Write Consignment A/c, Saikrupa Co. A/c and Goods sent on Consignment A/c in the books of Kamal Industries Ltd. 16

2. (A) What do you mean by Branch ? Explain the types of Branches. 8

(B) A Head Office in Pune has a Branch in Aurangabad to which goods are invoiced by the Head Office. From the following particulars, prepare Branch Trading and Profit and Loss A/c :

	Rs.
Balance on 1-4-2016 :	
Stock	1,75,000
Debtors	1,15,500
Petty Cash	3,500
Goods supplied by the Head Office	5,60,000
Goods returned by the Branch	17,500
Cheque received from Head Office :	
Wages	52,500
Insurance	35,000
Petty Cash	7,000
	<u>94,500</u>
Cash sales	2,45,000
Cash received from Debtors	5,07,500
Discount allowed	7,000
Bad Debts	5,250
Goods returned by the branch Debtors	14,000
Credit sales	5,09,250
Balance on 31-3-2017 :	
Stock	2,62,500
Debtors	98,000
Petty Cash	2,800

8

OR

(C) Danish Agencies of Hyderabad has a branch at Nagpur Goods are invoiced to the branch at cost plus 20%. The expenses of the branch are paid from Hyderabad and the branch keeps a sales journal and the Debtors Ledger only. Following information supplied by the branch :

	Rs.
Credit Sales	82,000
Cash Sales	35,000
Opening Stock (at Invoice price)	48,000

	Rs.
Closing Stock (at Invoice price)	36,000
Receipts from Debtors	75,800
Sundry Debtors on 31 st March, 2017	18,320
Goods received from Head Office	60,000
Expenses paid by the H.O. for branch :	
Salaries and Rent	19,200
Petty Cash	1,200
Petty cash with branch on 1 st April, 2016	80
Petty cash with branch on 31 st March, 2017	100

The Branch Manager is entitled to a commission of 2.5% on credit sales.

- (a) Show the account of the branch as it would appear in the books of Head Office.
- (b) Prepare Trading and P & L Account of the branch for the year ending 31st March, 2017. 16

3. (A) What do you understand by Forfeiture of Shares ? Explain the procedure of forfeiture of shares. 8

(B) Pramod Co. Ltd. issued 4,00,000 shares of Rs. 10 each at Rs. 9 per share. The terms of payment were :

Rs. 3 On Application

Rs. 2 (after allowing discount) on Allotment

Rs. 4 On First and Final Call.

The company received applications for 5,60,000 shares. Pro-rata allotment was made on the applications for 5,00,000 shares.

Give journal entries assuming that an applicant who was allotted 200 shares did not pay allotment and first and final call money. 8

OR

(C) Nilkamal Co. Ltd. issued a prospectus inviting applications for 60,000 shares of Rs. 100 each at a premium of Rs. 20 per share payable as under :

On Application Rs. 20 per share

On Allotment Rs. 50 per share (with premium)

On First Call Rs. 30 per share

On Final Call Rs. 20 per share

Applications were received for 90,000 shares and allotment pro-rata to the applications of 72,000 shares. Money overpaid on application was employed on account of sums due on allotment.

Mr. Karan to whom 1,200 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited.

Mr. Vilas, who applied for 2,160 shares, failed to pay both the calls and his shares were forfeited after final call.

The directors decided to reissue 900 shares of Mr. Karan and 900 shares of Mr. Villas to Mr. Pravin at a discount of 10% as fully paid.

Give Journal Entries in the books of Company. 16

4. (A) Explain the meaning of 'Dividend'. Give the difference between Interim Dividend and Final Dividend. 8

(B) From the following balances extracted from the books of Well-come Co. Ltd. Prepare a Balance-Sheet on 31st March, 2017 :

	Rs.
Equity Share Capital (Face Value Rs. 100 each)	30,00,000
Land	6,00,000
Building	10,50,000
Plant and Machinery	12,00,000
Furniture	1,50,000
Goodwill	3,75,000
Call-in-Arrears	6,000
Call-in-Advance	3,000
General Reserve	6,30,000
Loan from State Bank	4,50,000
Stock	7,50,000
Tax Provision	2,04,000
Sundry Debtors	6,00,000
Advances to Employees	1,28,100
Unclaimed Dividend	1,80,000
Profit & Loss A/c (Cr.)	3,00,000
Cash	90,000
Bank Current A/c (Dr.)	2,91,000
Shares in Subsidiary Company	4,50,000
Development Expenses	39,900
Bank Overdraft	3,63,000
Sundry Creditors	6,00,000
	8

OR

(C) Star Co. Ltd. was registered with a nominal capital of Rs. 11,00,000 divided into shares of Rs. 100 each. The following Trial Balance is extracted from the books on 31st March, 2017 :

Particulars	Rs.	Particulars	Rs.
Building	5,80,000	Sales	10,40,000
Machinery	2,00,000	Salaries Outstanding	4,000
Closing Stock	1,80,000	Provision for Bad Debts (1-4-2016)	6,000
Purchases (to be adjusted)	4,20,000	Share Capital	4,00,000
Salaries	1,20,000	Profit and Loss A/c	50,000
Director's Fees	20,000	General Reserve	80,000
Rent	52,000	Creditors	1,84,000
Depreciation	40,000	Provision for Depreciation :	
Bad Debts	12,000	On Building	1,00,000
Interest Accrued on Investment	4,000	On Machinery	1,10,000
Investments	2,40,000	14% Debentures	4,00,000
Debenture Interest	56,000	Interest on Debentures accrued	
Loose Tools	40,000	but not due	28,000
Advance Tax	1,20,000	Interest on Investment	24,000
Sundry Expenses	36,000	Unclaimed Dividend	10,000
Debtors	2,50,000		
Bank Balance	60,000		
Interim Dividend	6,000		
	<u>24,36,000</u>		<u>24,36,000</u>

Prepare :— Trading and Profit and Loss Account for the year ended 31st March, 2017 and Balance Sheet as at that date after taking into consideration the following information :

- (1) Closing Stock is more than opening stock by Rs. 60,000.
- (2) Provision for Bad debts is to be provided at 4% on Debtors.
- (3) Make a provision for Income Tax 50%.
- (4) Depreciation expenses included depreciation of Rs. 16,000 on Building and that of Rs. 24,000 on Machinery.
- (5) The directors recommend a dividend 25%.

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5. (A) Sony Electronics dispatched 1,500 electronic parts at Rs. 1,200 each to Vora stores of Nagpur. Sony Electronics paid freight Rs. 2,400, Cartage Rs. 180 and Insurance Rs. 1,200. Vora stores received 1,450 parts. 50 parts were totally destroyed during transit, insurance company accepted the claim for Rs. 54,000. Vora stores incurred the following expenses :

Insurance and Taxes	Rs. 5,400
Freight	Rs. 1,200
Advertisement	Rs. 2,400

Vora store sold 1000 parts.

Calculate the amount of abnormal loss transfer to Profit & Loss A/c. 4

- (B) Amrutsar Head Office invoices goods to its branch Ludhiana by charging 20% of selling price. Calculate the load.

Branch Opening Stock	Invoice Price Rs. 2,10,000	
Goods Sent to Branch	Invoice Price Rs. 7,65,000	
Goods Returned by Branch	Invoice Price Rs. 36,000	
Branch Closing Stock	Invoice Price Rs. 1,53,000	4

- (C) Agrawal Ltd. has issued shares of Rs. 10 each at 10% premium payable as follows :

On Application	Rs. 2 per share
On Allotment	Rs. 3 per share (including premium)
On First Call	Rs. 2 per share
On Final Call	Rs. 4 per share

Mr. Kumar who was holding 50 shares did not pay his allotment and first call and his shares were forfeited after first call. At the same time 30 shares of Mr. Sameer were also forfeited, as he did not pay first call on those shares.

Pass Journal Entries relating to forfeiture of shares. 4

- (D) A Limited Company carried forward a profit of Rs. 3,00,000 from the Profit and Loss Account for the year ended 31st March, 2016. During the year 2016-17 it earned a profit 10,00,000. It was decided to carry out the following decisions :

- (1) To pay for Income Tax @ 40%.
- (2) To transfer to General Reserve @ 6% of Net Profit.
- (3) To transfer to Dividend Equalisation Reserve Rs. 2,00,000.
- (4) To pay Interim Dividend Rs. 1,50,000.
- (5) To transfer to Development Reserve Rs. 60,000.

Prepare Profit and Loss Appropriation A/c. 4

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(मराठी माध्यम)

1. (अ) प्रेषण म्हणजे काय ? प्रेषण व्यवहारांची वैशिष्ट्ये स्पष्ट करा. 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
2. (अ) 'शाखा' यापासून आपणास काय अर्थबोध होतो ? शाखांचे विविध प्रकार स्पष्ट करा. 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
3. (अ) भागजप्तीचा अर्थ स्पष्ट करा. भागजप्तीची कार्यविधी थोडक्यात स्पष्ट करा. 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
4. (अ) लाभांश म्हणजे काय ? मध्य लाभांश आणि अंतिम लाभांशातील फरक स्पष्ट करा. 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
5. (अ), (ब), (क) आणि (ड) सर्व इंग्रजी माध्यमानुसार. 4×4=16

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(हिन्दी माध्यम)

1. (अ) प्रेषण इस संज्ञा का अर्थ स्पष्ट कीजिये। प्रेषण व्यवहार की विशिष्टता स्पष्ट करें। 8
 (ब) अंग्रेजी माध्यम के अनुसार। 8
- अथवा
- (क) अंग्रेजी माध्यम के अनुसार। 16
2. (अ) 'शाखा' इस शब्द का अर्थ स्पष्ट कीजिये तथा शाखाओं के विविध प्रकार स्पष्ट कीजिये। 8
 (ब) अंग्रेजी माध्यम के अनुसार। 8
- अथवा
- (क) अंग्रेजी माध्यम के अनुसार। 16
3. (अ) अंशजप्ती का अर्थ स्पष्ट कीजिये तथा अंशजप्ती की कार्यविधि विशद करें। 8
 (ब) अंग्रेजी माध्यम के अनुसार। 8
- अथवा
- (क) अंग्रेजी माध्यम के अनुसार। 16
4. (अ) लाभांश का अर्थ स्पष्ट कीजिये तथा मध्य लाभांश तथा अंत्य लाभांश का फरक स्पष्ट कीजिये। 8
 (ब) अंग्रेजी माध्यम के अनुसार। 8
- अथवा
- (क) अंग्रेजी माध्यम के अनुसार। 16
5. (अ), (ब), (क) और (ड) सभी अंग्रेजी माध्यम के अनुसार। 4×4=16