

**Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce & Economics
Ponda – Goa**

**B. Com (Semester – II) Examination, April 2017
Financial Accounting
Paper – 2**

Duration: 2 Hours

Maximum Marks: 80

Instruction: 1) Question No. 1 is compulsory.

2) Answer *any three* questions from Q. No. 2 to Q. No. 6.

3) Figures to the *right* indicate *maximum marks* allotted to each question.

4) Give *working notes* wherever *necessary*.

- 1) Rahul Industries Ltd. of Ponda has a branch at Marcel. Goods are invoiced to branch at cost plus 50%. The branch remits all cash received to the head office daily. All the expenses of the branch are met by the head office. Prepare Branch Stock A/c in the books of Rahul Industries Ltd., Branch Adjustment A/c, Branch Debtors A/c, Branch Expenses A/c and Branch General P & L A/c from the following information;

| | Rs. | |
|-------------------------------|------------|-------------|
| Stock (01.04.2015) | 9,300 | |
| Debtors (01.04.2015) | 6,800 | |
| Goods invoiced to branch | 53,100 | |
| Cash sales | 25,010 | |
| Credit sales | 31,000 | |
| Goods returned by debtors | 1,200 | |
| Cash collected from debtors | 30,400 | |
| Goods returned by branch | 1,500 | |
| Discount allowed to customers | 100 | |
| Bad debts | 100 | |
| Expenses at branch; | | |
| Rent | 3,000 | |
| Salary | 2,000 | |
| Office expenses | 400 | |
| | ----- | |
| | 5,400 | |
| Goods destroyed by fire | 1,500 | (20) |

2) P, Q and R were equal partners. They decided to dissolve their firm on 31st December, 2016. The balance sheet of the firm on that date was as follows;

Balance Sheet as on 31st December, 2016

| Liabilities | Rs. | Assets | Rs. |
|--------------------|------------|----------------|------------|
| Creditors | 20,000 | Fixed Assets | 50,000 |
| Reserves | 30,000 | Current Assets | 40,000 |
| Capitals | | Cash in hand | 20,000 |
| P – 30,000 | | | |
| Q – 10,000 | | | |
| R – 20,000 | | | |
| ----- | 60,000 | | |
| | ----- | | ----- |
| | 1, 10, 000 | | 1, 10, 000 |
| | ----- | | ----- |

It was agreed that Rs. 2,000 should be kept aside for realization expenses. The assets were realized as under;

| 2017 | Rs. |
|---------------------------|------------|
| 31 st January | 17,300 |
| 28 th February | 29,700 |
| 31 st March | 27,000 |

Actual realization expenses amounted to Rs. 1,400 only. Prepare a statement showing the distribution of cash by using the Maximum Loss Method. (20)

3) Prepare a Stores Ledger and calculate the stock at the end under FIFO method from the following transactions for the month of February, 2017;

2017 Transactions

- Feb.1 Opening balances 100 units @ Rs. 10 each.
- Feb.5 Bought 500 units @ Rs. 12 per unit.
- Feb.8 Issued 200 units.
- Feb. 12 Returned to stores 10 units.
- Feb.15 Issued 200 units.
- Feb. 17 Received 300 units @ Rs. 15 per unit.
- Feb. 18 Returned to vendor 5 units.
- Feb. 22 Issued 300 units.
- Feb.25 Discarded (damaged units) 10 units.
- Feb. 26 Purchased 200 units @ Rs. 20 per unit.

The stock verification report on 28th February, 2017 revealed a surplus of 10 units. (20)

- 4) A fire occurred on 30th Sept., 2016 in the godown of M/S Ranjeeta Industries Ltd. Ascertain the claim to be lodged with the Insurance Company from the following particulars;

Stock on 1st April, 2015 Rs.1, 50, 000

Stock on 31st March, 2016 Rs. 1, 70, 000

Sales for the year ended 31st March, 2016 Rs.5, 50, 000

Sales from 1st April to 30th Sept., 2016 Rs, 1, 50, 000

Purchases for the year 2016 Rs. 3, 50, 000

Purchases from 1st April to 30th Sept., 2016 Rs.1, 00, 000

Stock on 31st March, 2016 was overvalued by Rs. 10, 000

Goods saved from fire was Rs.50, 500

Value of stock insured with the Insurance Company was Rs.1, 50, 000

(20)

5. a) A departmental store has three departments X, Y and Z. The information regarding the departments are as follows;

| Particulars | X | Y | Z |
|---------------|------------|------------|------------|
| Opening stock | 40, 000 | 20, 000 | 60, 000 |
| Purchases | 1, 10, 000 | 55, 000 | 2, 20, 000 |
| Sales | 4, 00, 000 | 3, 00, 000 | 2, 00, 000 |
| Closing stock | 24, 000 | 12, 000 | 40, 000 |

The following expenses were incurred;

| | |
|--------------------------|---------|
| General expenses | 24, 000 |
| Rent | 18, 000 |
| Commission received | 9, 000 |
| Discount allowed | 27, 000 |
| Sales promotion expenses | 36, 000 |
| Salesman's salary | 9, 000 |
| Discount received | 14, 000 |

Other information;

- 1) Allocate general expenses and rent equally between three departments.
 - 2) Commission received is divided in the ratio of 3:2:1 between X, Y and Z departments respectively.
 - 3) Discount received and discount allowed and sales promotion expenses and Salesman's salary are distributed in the ratio of purchases and sales respectively.
- Prepare the Trading and P & L A/c of X, Y and Z departments from the above information.

(10)

b) Rajesh Industries Ltd. uses weighted average method to issue the materials to the production department. Prepare a stores ledger from the following transactions;

| | | |
|------------------------------|-------------------------------------|------|
| 1 st March, 2017 | Balance 100 units @ Rs. 5 each. | |
| 5 th March, 2017 | Received 200 units @ Rs.7 per unit. | |
| 7 th March, 2017 | Issued 150 units | |
| 9 th March, 2017 | Bought 200 units @ Rs. 9 per unit. | |
| 10 th March, 2017 | Issued 150 units | |
| 12 th March, 2017 | Purchased 100 units @ Rs. 11 each. | |
| 14 th March, 2017 | Issued 50 units | |
| 15 th March, 2017 | Issued 100 units | (10) |

6) Answer the following;

- a) Excess capital method.
 - b) Debtors system of maintaining branch account.
 - c) Simple average method.
 - d) Fire insurance.
- (20)

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(4)