

Goa Vidyaprasarak Mandal's
 GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
 PONDA - GOA
 B.COM. (SEMESTER – II) SUPPLEMENTARY EXAMINATION, MAY/JUNE 2016
FINANCIAL ACCOUNTING

Duration: 2 hours

Marks: 80

- Instructions :** 1) Question No. 1 is compulsory.
 2) Answer any three questions from Q.No.2 to Q.No.6.
 3) All working notes shall carry marks.

Q.NO.1) (20)

Prepare a stores ledger and calculate the value of stock as on 31st January for the following transactions as per 1. FIFO Method of stock valuation and 2. Weighted Average price Method of stock valuation.

Date	Particulars
2016	
Jan 01	Opening stock 500 units @ ` 5 each
Jan 02	Purchases 300 units @ ` 5.5 each
Jan 15	Purchases 400 units @ ` 6.5 each
Jan 28	Return to the supplier 100 units @ ` 5.5 each
Jan 29	Purchases 800 units @ ` 6 each
Jan 4	Sales 600 units
Jan 17	Sales 350 units
Jan 22	Return to the stores 100 units @ ` 6.5 each
Jan 24	Sales 100 units

Q.NO.2)

(20)

J, K and P are partners sharing profits and losses in the ratio 2:2:1. The balance sheet as on 30th November 2015 was as follows:

Liabilities	Amount	Assets	Amount
Loan from S	27,000	Cash at Bank	15,000
Income Tax	9,000	Debtors	45,000
Reserve	25,000	Building	1,45,000
Capital A/c			
J	52,000		
K	58,000		
P	34,000		
	2,05,000		2,05,000

The partnership was dissolved on 1st December 2015.

- As per the arrangement with the Bank, the partners can withdraw ` 6,000 only at present and balance in the month of February
- The assets realized as follows:
 31st December ` 47,000; 30th January ` 81,000 and 15th February ` 65,000
- The realization expenses were estimated at and provided for ` 5,000 and the actual amount spent ` 2,500.

Prepare the necessary statements for distribution of Cash under 'Excess Capital Method.'

Q.No.3 (20)

Calcutta headquarters has a branch at Khotegao, Mumbai. All the goods purchased by Branch are from Calcutta headquarters at an invoice price of 1/3 % profit on sales. All expenses of branch are borne by the headquarters and all cash earned by branch is sent to the headquarters.

Opening balances:

Stock – ` 49,000

Debtors— ` 55,000

Furniture – ` 50,000

Closing balance:

Stock -- ` 63,000, Debtors – ` 60,000

Goods sent to branch --- ` 3,50,000

Cash remitted by head office to branch:

Salary – ` 10,000, Advertising ` 3,000, Petty expenses ` 4,000,

Cash sales – ` 1,35,000

Credit sales – ` 2,25,000

Depreciation on furniture @ 15% p.a.

Bad debts – ` 3,000

Discount allowed- ` 1,500

Goods returned by branch to head office – ` 25,000

Goods returned by customers to branch – ` 6,000

You are required to prepare Branch stock A/c, Branch stock adjustment A/c; Branch P&L A/c; Furniture A/c, Debtors A/c, Goods sent to branch A/c under stock and debtors system of Branch Accounting.

Q.No.4) (20)

Ayodhya Ltd has two Departments; Dept Rama and Dept Krishna. From the following information prepare Departmental Trading and P& L A/c, General P& L A/c and combined Balance sheet for the year ended 31st December 2015.

Particulars	Dept Rama	Dept Krishna	Total
Opening stock	20,000	12,000	32,000
Purchases	92,000	68,000	1,60,000
Sales	1,40,000	1,12,000	2,52,000
Wages	12,000	8,000	20,000
Carriage inward	2,000	2,000	4,000
Closing stock	58,000	46,000	1,04,000
Rent			4,500
Sundry expenses			3,600
Lighting			3,000
Discount Received			2,220
Advertising			3,680
Furniture			30,000
Machinery			21,000
Debtors	12,000	6,000	18,000
Cash in hand	6,000	3,900	9,900
Creditors			30,000
Land			43,290
Capital			70,000
Drawings			1,250

Additional information:

- 1) Internal transfer of goods from Dept Krishna to Dept Rama ` 4,000 at normal selling price.
- 2) The Staff and the light bill expenses are divided in the ratio 2:1 among two departments.
- 3) Sundry expenses to be divided equally.
- 4) Advertising was conducted for upliftment of the organization's image and hence cannot be related to departments.
- 5) Depreciation to be charged @ 10 % p.a. on Machinery and 5% p.a. on furniture and to be divided in the ratio 3:2.
- 6) Prepaid Rent of ` 500 for the year for Dept Rama.

Q.No.5-A) (15)

The premises and the stock of Mountain Plateau Ltd were totally destroyed by fire on 30th June 2014. From the accounts and other records that were saved, the following information is available.

Particulars	2012 (`)	2013 (`)	2014 (`)	2015 (`)
Opening stock	5,017	6,000	6,667	6,833
Purchases	12,500	13,367	13,583	1,050
Purchase returns	17	33	83	50
Sales	20,000	22,000	23,333	2,000
Wages	2,900	3,167	3,483	xxxx
Closing stock	6,000	6,667	6,833	-----

Additional Information:

1. When the fire broke out, the stock to the extent of ` 833 was salvaged
2. An insurance policy of ` 5,833 was taken and average clause is applicable.
3. Wages in the year 2014 may be taken at the same rate as in the year 2013
4. In the year 2014, a theft had taken place as a result of which goods worth ` 135 were lost.

You are required to prepare a statement showing the claim to be lodged with the insurance company.

Q.No.5-B) (05)

M/s Kumar Enterprise closes its books on 31st March every year. The stock taking was completed on 15th March when it was ascertained at ` 2,50,000. During the period 15th March to 31st March the following transactions took place

1. Purchases ` 15,000
2. Sales ` 50,000 which included
 - a) Sale on consignment ` 27,000 at a profit of 50% on cost
 - b) Sale to regular customers at a profit of 20 % on sales
3. Sales returns ` 6,000 from the goods sent on consignment.
4. Purchase returns ` 3,000

Calculate the value of stock for the balance sheet purpose.

Q.6. Write short notes on : (5x4=20)

- a) Maximum loss method
- b) Classification of Branches
- c) Calculation of provision for unrealized profits

d) LIFO and Base Stock Methods of stock valuation

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