

Pg 1 of 3  
 Goa Vidyaprasarak Mandal's  
 Gopal Govind Poy Raiturcar College of Commerce and Economics  
 Ponda – Goa  
 B. Com. (Semester – II) Supplementary Examination, May/June 2017  
**FINANCIAL ACCOUNTING**  
**Paper – 2**

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

*4) Give working notes wherever necessary.*

**Q.1)** Prepare a Stores Ledger under FIFO Method and find out the stock at the end from the following transactions for the month of April, 2017:

April	Transactions
1	Balance of 500 units @ ` 10 each.
5	Issued 150 units.
8	Returned to vendor 10 units @ ` 10 each.
10	Purchased 200 units @ ` 15 each.
12	Issued 150 units.
15	Returned to store 5 units.
18	Issued 50 units.
20	Received 100 units @ ` 20 per unit.
22	Issued 100 units.
25	Discarded 5 damaged units @ ` 10 each.
26	Purchased 100 units @ ` 25 per unit.
28	Issued 100 units.
29	Bought 50 units @ ` 25 each.

The stock verification report on 30<sup>th</sup> April, 2017 revealed a shortage of 5 units. **(20)**

**Q.2)** Raj, Ram and Rakh are partners of a partnership firm. They decided to dissolve their partnership on 31<sup>st</sup> Dec., 2016. The Balance Sheet of the firm on 31<sup>st</sup> December was as follows:

Liabilities	`	Assets	`
General reserve	40,000	Fixed assets	3,20,000
Creditors	1,20,000	Deferred revenue expenditure	40,000
Capital		Cash	40,000
Raj - 60,000			
Ram - 80,000			
Rakh - 1,00,000	2,40,000		
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	-----		
	4,00,000		-----
	-----		4,00,000
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**Fixed Assets were realized as under:**

Jan., 2017    ` 40, 000  
 Feb., 2017    ` 60, 000  
 March, 2017 ` 2, 10, 000

Partners share the profits and losses in the ratio of 2:3:5. The realization expenses were `1000. Prepare i) Statement showing the excess capital and ii) Statement showing the distribution of cash. (20)

**Q.3.** M/s Pratiksha & Co. from Bicholim has a branch at Ponda. All goods required for sale at Ponda are supplied from Bicholim at cost plus 25%. All cash received at Branch is remitted to the Head Office immediately. Prepare a) Ponda Branch Account b) Branch Debtors Account c) Goods sent to Branch Account and d) Petty Cash Account in the books of head office from the following particulars:

**Balance as on 1<sup>st</sup> April, 2016:**

Stock ` 20, 000  
 Debtors ` 15, 000  
 Furniture ` 10, 000  
 Petty Cash ` 200  
 Goods returned by debtors ` 800  
 Goods invoiced to branch ` 50, 000  
 Goods returned by branch ` 2, 000  
 Bad debts ` 500  
 Cash sales ` 3, 000  
 Reserve for doubtful debts ` 3, 000  
 Allowances to Debtors ` 900  
 Branch expenses paid by Head Office;  
     Rent                    3000  
     Salary                3500  
     Printing               800  
     Sundry expenses 500  
                                   -----  
                                   7800

Petty cash expenses at branch ` 500  
 Total Sales    ` 70, 000  
 Remittance to branch for petty cash expenses ` 600

**Balance as on 31st March, 2017:**

Stock        ` 15, 600  
 Debtors    ` 39, 500  
 Furniture    ` 8, 000 (20)

**4)** A fire occurred in the premises of M/s Ratan Industries Ltd. on 17<sup>th</sup> June, 2016. Most of the stock were destroyed and cost of the goods salvaged was `21, 600. The following information was available from the records,  
 Stock as on 31<sup>st</sup> December, 2015 ` 83, 500  
 Purchases and Sales from 1<sup>st</sup> January to 17<sup>th</sup> June 2016 were ` 1, 12, 000 and ` 1,54,000 respectively.

Stock as on 1<sup>st</sup> January, 2015 ` 90,000

Purchases and sales for the year ended 31<sup>st</sup> December 2015 were respectively ` 2,93,500 and ` 4,00,000.

Stock was insured for ` 75000.

Find out the value of stock on the day of fire to claim the loss of stock from the insurance company. (20)

5.a) The Trading and Profit and Loss A/c of Radio and Gramophone Equipment Company for the six month ended 31<sup>st</sup> March, 2016 is as follows:

<b>Trading and Profit and Loss A/c</b>			
<b>Particulars</b>	<b>Amt.</b>	<b>Particulars</b>	<b>Amt.</b>
Purchases;		Sales;	
Radio (A)	1,40,700	Radio (A)	1,50,000
Gramophone (B)	90,600	Gramophone (B)	1,00,000
Spare Parts (C)	64,400	Receipts from Spare parts (C)	25,000
Rent	10,800	Stock as on 31 <sup>st</sup> March, 2016;	
Salaries & Wages	48,000	Radio (A)	60,100
Sundry expenses	11,000	Gramophone (B)	20,300
Profit	34,500	Spare parts (C)	44,600
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	4,00,000		4,00,000
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**Additional information;**

- a) Radio & Gramophones are sold at the showroom & Spare parts are sold at the workshop.
- b) Salaries & Wages comprise of showroom  $\frac{3}{4}$  & Workshop  $\frac{1}{4}$ . The showroom salaries and wages are to be allocated in the ratio of 1:2 between departments A & B.
- c) The workshop rent is `500 per month, The rent of the showroom is to be divided equally between departments A & B.
- d) Sundry expenses are to be allocated on the basis of the turnover of each department.

Prepare Departmental Accounts for each of the three departments A,B& C from the above information: (10)

Q.5 b) Mr. Rahul issues the material under weighted average method. Prepare a stores ledger from the following transactions:

<b>May</b>	<b>Transactions</b>	
2 <sup>nd</sup>	Balance of 150 units @ ` 2 each	
3 <sup>rd</sup>	Purchased 100 units @ ` 3 per unit	
4 <sup>th</sup>	Issued 50 units	
5 <sup>th</sup>	Bought 50 units @ ` 4 each	
6 <sup>th</sup>	Issued 100 units..	
7 <sup>th</sup>	Received 50 units @ ` 5 per unit	
9 <sup>th</sup>	Issued 50 units	
10 <sup>th</sup>	Issued 100 units	(10)

6) Write short note on the following;

- a) Maximum Loss method.
- b) Stock & Debtors System.
- c) LIFO method.
- d) Average Clause.

(20)