

**022COM 011 – S – 22 – 5151**



**SECOND SEMESTER B.COM. (NEP) DEGREE EXAMINATION, AUG./SEPT. 2022**  
**FINANCIAL ACCOUNTING – II (DSC)**

Time : 2 Hours]

[Max. Marks : 60

- Instructions :** 1) Attempt **all** Sections according to **internal choice**.  
2) Use of simple calculator is allowed.  
3) Question No. **11** is **compulsory**.

**SECTION – A**

1. Answer **any five** of the following. **(5×2=10)**
- a) What is Cash-in-transit ?
  - b) What do you mean by interdepartmental transfers ?
  - c) What do you mean by independent branches ?
  - d) How do you allocate the following expenses ?
    - i) Carriage Inwards
    - ii) Advertisement.
  - e) What is fire insurance ?
  - f) What is deficiency account ?
  - g) Expand GAAP.

**SECTION – B**

Answer **any four** of the following. **(4×5=20)**

- 2. What are the advantages of Accounting Standards ?
- 3. State how the following expenses are to be allocated among different departments :
  - a) Carriage Inwards
  - b) Discount allowed

**[P.T.O.]**



- c) Rent and Rates
- d) Depreciation on Assets
- e) Lighting
- f) Insurance on stock
- g) Advertisement
- h) Discount received
- i) Office Salaries
- j) General expenses.

4. Naman Traders, Haveri opened a branch at Mumbai on 01-01-2021. Goods are invoiced to the branch at cost plus 20%. Following are the transactions during the year.

	Rs.
Goods supplied to branch (IP)	90,000
Cash sales by branch	49,200
Credit sales at the branch	50,000
Cash received from debtors	37,200
Discount allowed	2,000
Cash sent to branch for expenses	10,000
Goods returned by branch	6,000
Closing stock at the branch	16,800
Closing Debtors at the branch	10,800

Prepare branch account in the books of Naman Traders, Haveri.



5. Fire occurred in the premises of Kanisk Stores on 15-05-2021 and considerable stock was destroyed. The value of salvaged stock was Rs. 5,000. The following particulars were available.

	Rs.
Stock on 1-1-2021	60,000
Purchases from 1-1-2021 to 15-5-2021	2,70,000
Sales from 1-1-2021 to 15-5-2021	3,75,000
Goods used for domestic purposes	5,000

The rate of gross profit is 25% on cost. Find out the amount of insurance claim.

6. Mahesh has been adjudged as insolvent on 31-03-2022. His creditors were as follows :

	Rs.
a) Trade Creditors	1,00,000
b) Income Tax	1,200
c) Municipal Tax	1,000
d) Salary to 8 clerks for four months	4,000
e) Wages for six workers for four months	3,000
f) Rent due to landlord for three months	1,500
g) Private Loan	10,000
h) Loan from his wife (out of her earnings)	5,000



Find out amount due to unsecured creditors and preferential creditors under the provisions of Presidency Town Insolvency Act 1909.





## SECTION – C

Question No. 11 is **compulsory**. Answer **any two** of the **remaining**. (3×10=30)

7. A fire broke in the premises of Arunodaya Ltd., on 01-09-2021 and Rs. 50,500 value of stock was saved. The books and records of the business showed the following information :

	Rs.
Purchases for the year ended 31-12-2020	3,40,000
Sales for the year ended 31-12-2020	5,50,000
Purchases from 1-1-2021 to 31-8-2021	1,25,000
Sales from 1-1-2021 to 31-8-2021	2,00,000
Stock on 31-12-2019	1,50,000
Stock on 31-12-2020	1,70,000

Stock on 31-12-2020 was overvalued by Rs. 10,000

Prepare a statement of claim from the above information.

8. Naxatra Company Ltd. of Mumbai has a branch at Hubballi. The goods are invoiced to the branch at 20% on sales. The branch has been instructed to send all the cash received to the head office daily and all its expenses are paid by the head office.

The following is the summary of transactions at the above branch for the year 2021

	Rs.
Branch Debtors on 1-1-2021	80,000
Branch stock on 1-1-2021 (IP)	2,00,000
Branch Petty cash on 1-1-2021	2,000
Goods sent to branch (IP)	10,00,000



Cash sent to branch for :

	Rs.	Rs.
Salary –	2,40,000	
Petty cash –	14,000	
Rent –	90,000	3,44,000
Cash sales		5,86,000
Credit Sales		7,00,000
Cash received from customers		6,00,000
Discount allowed to customers		30,000
Sales returns by customers		50,000
Goods returned by Branch (IP)		20,000
Branch stock on 31-12-2021 (IP)		2,50,000
Branch Petty Cash on 31-12-2021		4,000
Prepare Branch A/c and Branch Debtors A/c in the books of Head Office.		

9. Mr. Majnu filed his insolvency petition on 30-9-2021. His position was as follows :

	Rs.
Trade Creditors	70,000
Bills Payable	10,000
Bills discounted (Estimated to Rank Rs. 4,000)	8,000
Creditors for Rent, Taxes, Wages etc. (of which Rs. 3,000 are preferential)	4,000
Creditors holding first charge on building	15,000
Building (Estimated to produce Rs. 40,000)	50,000
Cash-in-hand	100
Cash at bank	900

Stock in trade (Estimated to produce Rs. 16,000)	20,000
Shares in 'Z' Company (Estimated to produce Rs. 4,500)	5,000
Furniture (Estimated to produce Rs. 5,500)	7,000
Machinery (Estimated to realise Rs. 18,000)	25,000
Book debts : Good	12,000
Doubtful (Estimated to produce 1000)	2,500
Bad	3,000
Bills Receivables	2,000

He commenced the business with a capital of Rs. 45,000 on 1-10-2020 and the business resulted in a profit of Rs. 8,000 and Rs. 6,500 for the first two years and a loss of Rs. 28,500 for the third year after allowing Rs. 2,500 as interest on capital each year.

His drawings for this year amounted to Rs. 40,000. Prepare statement of affairs and deficiency A/c.

10. Briefly explain any 5 Indian Accounting Standards.

### Compulsory.

11. From the following information, you are required to prepare departmental trading, profit and loss account for the year ended 31-12-2021.

Particulars	A Rs.	B Rs.	C Rs.
Stock on 1-1-2021	20,000	18,000	16,000
Sales	1,00,000	80,000	60,000
Purchases	50,000	40,000	30,000
Wages	15,000	10,000	5,000
Stock on 31-12-2021	25,000	10,000	15,000





	Rs.
<b>Common Expenses :</b>	
1) Advertisement and Publicity Exp.	1,08,000
2) Bad-debts	6,000
3) Office Salaries	32,000
4) Electricity Exp.	3,000
5) Rent and Taxes	15,000
6) Salesman Commission	6,000

**Interdepartmental transfers :**

1) A to B	15,000
2) B to C	10,000

**Other information :**

- a) Area Occupied ratio – 5 : 3 : 2
- b) Staff appointed ratio – 5 : 3 : 2
- c) No. of Light points – 3 : 2 : 1

**Case study questions :**

- a) Comment on the performance of all the branches.
  - b) Suggest any measures required to increase the efficiency of the branches.
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