



SECOND SEMESTER B.COM. (NEP) DEGREE EXAMINATION, JULY 2025

COMMERCE (DSC – 1)

Financial Accounting – II

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

Answer **any five** of the following :

(5×2=10)

1. a) What is deficiency account ?
- b) What do you mean by departmental accounts ?
- c) Mention the types of branch.
- d) What is fire insurance ?
- e) What do you mean by average clause ?
- f) What is cash-in-transit ?
- g) Expand AS and GAAP.

SECTION – B

Answer **any four** of the following :

(4×5=20)

2. Harsh Pvt. Ltd. opened a branch at Gadag on 1-4-2024. The following particulars are available. Prepare branch account for the year ending 31-3-2025.

Opening stock (1-4-2024)	₹ 10,000
Opening petty cash (1-4-2024)	₹ 200
Goods sent to branch	₹ 50,000
Cash remitted to branch for	
Salaries ₹ 2,000	
Office Rent ₹ 1,200	
Petty cash ₹ 1,000	₹ 4,200
Cash sales by branch remitted to headoffice	₹ 1,00,000
Stock on 31-3-2025	₹ 15,000
Petty cash on 31-3-2025	₹ 400

[P.T.O.]



3. State how the following expenses are allocated among different departments.
- Carriage inward
 - Discount earned
 - General expenses
 - Salary
 - Advertisement
 - Rent
 - Motive power
 - Wages
 - Repairs and maintenance
 - Insurance on building.
4. A fire occurred on the premises of Mr. Praveen Kumar on 31-12-2024 and considerable stock destroyed. The following data is available from the books.
- | | |
|-------------------------------|----------|
| a) Stock for the year 2024 | ₹ 60,000 |
| b) Purchase for the year 2024 | ₹ 56,000 |
| c) Opening stock on 1-1-2024 | ₹ 60,000 |
| d) Value of salvaged stock | ₹ 8,000 |
- During the past three years, gross profit % on sales was 20%, 30% and 25% respectively. Prepare a statement of insurance claims.
5. 'X' has been adjudged on January 2024, his creditors are as follows :
 Sundry creditors ₹ 1,00,000, Income Tax ₹ 1,200, Municipal Tax ₹ 1,000,
 Salary for 4 clerks for 4 months ₹ 4,000, Wages for 3 workers for 4 months
 ₹ 700, Rent due to landlord for 3 months ₹ 3,000, Private loan ₹ 10,000 and
 loan from his wife (Stridhan) ₹ 5,000.
- Find out the amount due to unsecured creditors under the Provisions of
 Presidency Town Insolvency Act, 1909.
6. What are the importance of accounting standards ?

SECTION – C

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

7. Mr. Robert filed his insolvency petition on 31-12-2024. He had the following assets and liabilities.

Buildings (estimated to produce ₹ 7,000)	₹ 8,000
Machinery (estimated to produce ₹ 25,000)	₹ 31,000
Electric equipment (same as cost)	₹ 20,000
Furnitures and fixtures (estimated to produce ₹ 4,500)	₹ 4,000
Stock-in-trade (estimated to produce ₹ 70,000)	₹ 80,000



Bookdebts – Good	₹ 30,000
doubtful	₹ 10,000
(Estimated to realise 40 paise in a rupee)	
Investment (same as cost)	₹ 20,000
Mortgage on electrical equipments	₹ 20,000
Loans secured by investments	₹ 50,000
Loans secured by first to charge on stock	₹ 10,000
Loans unsecured	₹ 1,00,000
Liability on bills discounted (Estimated to rank ₹ 4,000)	₹ 10,000
Preferential creditors	₹ 4,000
Bills of exchange	₹ 2,000
Cash in hand	₹ 100

Mr. Robert commenced business with capital of ₹ 60,000. His business resulted in a profit ₹ 59,100 after allowing interest on capital ₹ 6,000. His total drawing amounted to ₹ 1,04,000. Prepare the statement of affairs and deficiency account.

8. Tigadi traders has branch at Mysore. From the following particulars, prepare branch account in the books of head office.

Stock on 1-1-2024	₹ 40,000
Petty cash on 1-1-2024	₹ 400
Goods sent to branch during 2024	₹ 1,00,000
Cash sent to branch during 2024	
For salary	₹ 12,800
For rent	₹ 4,000
For petty cash	₹ 3,600
Goods returned by branch during 2024	₹ 4,000
Cash received from Branch during 2024	₹ 1,32,000
Stock on 31-12-2024	₹ 48,000
Petty cash on 31-12-2024	₹ 800

9. Fire occurred in the premises of Ganti General Stores on 28-06-2024. The following figure were available from the records of the stores.

Stock on 1-1-2023	₹ 70,000
Stock on 31-12-2023	₹ 1,94,400
Sales during the year 2023	₹ 7,96,000
Purchases during the year 2023	₹ 6,02,000
Sales returns during the year 2023	₹ 20,000



Purchases returns during the year 2023	₹ 12,000
Sales from 1-1-2024 to 28-06-2024	₹ 3,80,000
Purchases from 1-4-2024 to 28-06-2024	₹ 2,20,000
Sales returns from 1-1-2024 to 28-06-2024	₹ 12,000
Goods drawn for personal use	₹ 6,000
Value salvaged stock	₹ 80,000
The store as taken fire policy for	₹ 1,20,000

Ascertain the stock destroyed by fire and prepare a statement of a fire claim under average clause.

10. Explain the benefits of accounting standard.

Compulsory :

11. From the following information, prepare departmental trading and profit and loss account for the year ending 31-3-2024.

Particulars	Dept. x (₹)	Dept. y (₹)	Total (₹)
Opening stock	20,000	15,000	35,000
Purchases	50,000	25,000	75,000
Wages	5,000	3,000	8,000
Sales	1,00,000	50,000	1,50,000
Office salaries	—	—	60,000
Office rent	—	—	32,000
Discount allowed	—	—	3,000
Discount earned	—	—	1,500

Other information :

- Stock on 31-3-2024 x – 40,000, y – 20,000.
- Depreciation on furniture ₹ 15,000 at 10% and machinery of ₹ 70,000 at 5% to be distributed equally between two departments.
- Office staff appointed x – 20 men, y – 10 men.
- Area occupied x – 200 sqft, y – 120 sqft.
- Interdepartmental transaction x to y ₹ 15,000 is not included in the above.

Answer the following :

- Prepare departmental trading and profit and loss account.
- If any department is incurring loss, suggest whether to close the department or not.