



॥ विद्या सर्वस्य भूषणम् ॥

PRABODHAN EDUCATION SOCIETY'S

VidyaPrabodhini College of Commerce, Education, Computer & Management  
Vidyanagar, Alto-Parvari, Goa

**SEMESTER END EXAMINATION – APRIL 2017 (Regular/Repeat)**

**Sub:** Financial Accounting

**Semester:** II

**M. Marks:** 80 marks

**M. Time:** 2 hours

**INSTRUCTIONS:**

- Question No. 1 is compulsory
- From Question No. 2 – Question No. 6 answer any three
- Each question carries 20 marks each

1. Partnership of Bruno, Tom and Jerry was dissolved on 31<sup>st</sup> July, 2016 on which date the Balance Sheet stood as under:

LIABILITIES	₹	ASSETS	₹
<b>Capital A/cs:</b>		Goodwill	1,50,000
Bruno	1,00,000	Machinery	7,00,000
Tom	5,00,000	Furniture	4,00,000
Jerry	8,00,000	Debtors	2,50,000
Creditors	70,000	Cash	50,000
Bruno's loan liability	80,000		
	15,50,000		15,50,000

The partners were sharing profits equally. They decided to distribute cash as and when it was received. ₹15,000 was paid towards realization expenses. Following details of realization were available, September, 2016 - ₹80,000, October, 2016 - ₹1,10,000, November, 2016 - ₹9,00,000 and December, 2016 - ₹1,60,000. You are required to prepare the following using Excess Capital Method.

- Statement of surplus capital
  - Statement showing monthly distribution of cash available.(20 MARKS)
2. On 31<sup>st</sup> May, 2017, godown of Rashtra Ltd. was destroyed by fire, from the books of accounts following information was gathered.

	₹
Stock at cost on 1 <sup>st</sup> April, 2016	58,000
Stock at cost on 31 <sup>st</sup> March, 2017	50,000
Purchases during, 2016-17	2,00,000
Purchases from 1 <sup>st</sup> April, 2017 – 31 <sup>st</sup> May, 2017	52,000
Sales during, 2016	4,04,000
Sales from 1 <sup>st</sup> April, 2017 – 31 <sup>st</sup> May, 2017	80,800
Value of goods salvaged	15,000

An item of stock valued ₹8,000 on 1<sup>st</sup> April, 2016 originally costing ₹15,000. Half of this stock sold in 2016 for ₹4,000. Remaining stock was valued at ₹4,000 on 31<sup>st</sup> March, 2017. One fourth of the original stock was sold on 1<sup>st</sup> May, 2017 for ₹2,400 and the remaining stock of ₹3,750 were valued at

60% on cost. Salvage was ₹15,000. The amount of the policy was ₹30,000. There was an average clause in the policy. (20 MARKS)

3. Following particulars have been extracted in respect of Material Y-5. Prepare stores ledger account showing the receipts and issues, pricing the materials issued on the basis of FIFO method. For January, 2017.

Jan. 01	100 units of Y-5 were on hand @ ₹1200 each.
Jan. 08	50 units of Y-5 were sold.
Jan. 10	20 units of Y-5 were sold
Jan. 14	120 units of Y-5 were purchased @ ₹1250 each.
Jan. 18	108 units of Y-5 were sold.
Jan. 20	300 units of Y-5 were purchased @ ₹1260 each.
Jan. 22	150 units of Y-5 were sold.
Jan. 31	92 units of Y-5 were sold
Jan. 31	Surplus of 10 units

(20 MARKS)

4. From the following figures for the year 2016-2017, prepare accounts to disclose profit of two departments X and Y of Z Co. Ltd.

Particulars	₹
Opening stock:	
X	13,400
Y	11,200
Purchases	
X	73,600
Y	71,400
Sales	
X	1,13,000
Y	90,000
Sales Returns	
X	3,000
Y	2,000
Carriage Inwards	2,900
Salaries	
X	8,000
Y	7,000
General Salaries	7,500
Rent and Rates	5,400
Advertising	8,100
Insurance for building	1,800
General Expenses	4,500
Discount allowed	2,700
Discount received	1,450

The following further information is supplied:

General Expenses and General salaries are to be allocated equally.

The area occupied is in the ratio of 5:4

The closing stocks of the two departments were: X - ₹20,500 and Y - ₹17,600.(20 MARKS)

5. Phogat and Daughters, Haryana had a branch at Delhi. The goods were supplied from Haryana to Delhi at cost plus 25%. All cash received by branch is deposited daily at the head office. From the following particulars prepare branch account in the books of head office following debtor system.

Particulars	₹	Particulars	₹
Stock on 1/4/2016 ( Invoice price)	1,20,500	Goods returned to Head Office ( Invoice price)	10,250
Debtors on 1/4/2016	80,000	Cash sales	2,20,050
Petty cash on 1/4/2016	20,000	Credit sales	4,40,000
Goods invoiced to branch( Invoice price)	5,00,000	Bad debts	1,000
Branch expenses paid by head office		Sales returns	2,000
Salary	12,000	Allowances to customers	200
Rent	3,350	Petty cash expenses	14,000
Debtors on 31/3/2017	90,000	Stock on 31/3/2017( Invoice price)	1,50,000

(20 MARKS)

6. A) Sunny, Bunny and Munnyhaving profit sharing ratio of 2:2:1 dissolve their firm on 31<sup>st</sup> March 2017 when the Balance Sheet stood as under:

LIABILITIES	₹	ASSETS	₹
Capital A/cs		Fixed Assets	2,40,000
Sunny	70,000	Cash Balance	30,000
Bunny	50,000	Deferred Advertisement Expenditure	40,000
Munny	80,000		
General Reserve	50,000		
Creditors	60,000		
	3,10,000		3,10,000

Show Statement of Excess Capital.

(10 MARKS)

- B) Answer Any Five questions from the following

- LIFO Method
- Memorandum Trading A/C under Insurance claim
- Base Stock Method
- Objectives of Branch Accounting
- Proportionate Capital Method under Piecemeal Distribution
- Specific Identification Method

(5X2=10 MARKS)