

Reg. No. : .....

Code No. : 32003 E      Sub. Code : SMCO 21/  
AMCO 21

B.Com. (CBCS) DEGREE EXAMINATION,  
APRIL 2023.

Second Semester

Commerce — Core

FINANCIAL ACCOUNTING — II

(For those who joined in July 2017–2020),

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. X of Kolkata send out 1000 bag to Y of Delhi costing Rs. 200 each. Consignor's expenses Rs. 2000. Y's expenses non-selling Rs. 1000, selling Rs. 2000. 100 bags were lost in transit. Value of loss in transit will be \_\_\_\_\_
- (a) Rs. 20,200                      (b) Rs. 20,300  
(c) Rs. 20,000                      (d) Rs. 23,000

2. Commission will be shared by \_\_\_\_\_  
 (a) consignor and consignee  
 (b) only consignee  
 (c) only consignor  
 (d) third party
3. Admission fee received should be \_\_\_\_\_  
 (a) capitalised  
 (b) treated as revenue  
 (c) treated as liability  
 (d) treated as revenue unless the amount is large
4. Subscription in arrears are shown on the \_\_\_\_\_  
 (a) Credit side of income and expenditure account and asset side of balance sheet  
 (b) Debit side of income and expenditure account and liability side of balance sheet  
 (c) Only on the asset side of the balance sheet  
 (d) Only on the liability side of the balance sheet
5. Loss on joint venture is \_\_\_\_\_  
 (a) Credited to profit and loss a/c  
 (b) Debited to co-venture's capital a/c  
 (c) Credited to capital fund a/c  
 (d) Debited to suspense a/c
6. Joint bank account is a \_\_\_\_\_  
 (a) Nominal a/c  
 (b) Personal a/c  
 (c) Memorandum account  
 (d) Real account
7. \_\_\_\_\_ is the due date of a 3 months bill dated 10.8.03.  
 (a) 13.11.03 (b) 13.12.03  
 (c) 14.11.03 (d) 15.11.03
8. If due date of a bill falls on a public holiday, \_\_\_\_\_ day becomes the day of due date.  
 (a) next business day  
 (b) preceding business day  
 (c) can be conveniently chose  
 (d) none of the above
9. The computation of loss by fire is very simple taken when a \_\_\_\_\_ asset is destroyed.  
 (a) Current (b) Long-term  
 (c) Fire (d) Intangible

10. The value of stock on the date of fire can be ascertained more precisely by preparation of a \_\_\_\_\_ account.

- (a) Trading a/c
- (b) Memorandum transaction a/c
- (c) Balance sheet
- (d) Profit and loss account

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).  
Each answer should not exceed 250 words.

1. (a) Write short notes on del-Credere commission.

Or

(b) Calculate the value of closing stock and of abnormal loss from the following particulars.

- (i) 5,000 kgs. of oil consigned at Rs. per kg.
- (ii) Freight Rs. 2,000 and insurance Rs. 3,000 paid by consignor.
- (iii) Consignee's expenses : Rs. 700 for advertisement and Rs. 200 for godown rent.

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(iv) 750 kgs of oil lost in transit and the insurance company paid Rs. 10,000 for it to the consignor.

(v) Sales : 3,000 kgs at Rs. 18 per kg.

(vi) Commission at 5% on sales.

(vii) Stock with the consignee was 1,000 kgs.

(viii) Normal loss 250 kgs.

12. (a) What do you understand by an income and expenditure account? Explain it.

Or

(b) Kolkata Knight riders sport club has the following items as on March 31, 2019. Match fund Rs. 1,00,000; Match expenses Rs. 2,50,000; sale of Match tickets Rs. 50,000; match fund investment Rs. 1,00,000 and donation for Match Rs. 60,000.

Show how you will deal with the above items when preparing final accounts of KKR sport club.

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13. (a) Write short note on memorandum joint venture account.

Or

- (b) A and B were the partners in a joint venture sharing profits and losses in the proportion of four-fifths and one fifth, respectively. A supplies goods to the value of Rs. 5000 and incurs expenses amounting of Rs. 400. B supplies goods to the value of the Rs. 4000 and his expenses amount to Rs. 300. B sells goods on the behalf of the joint venture and realizes Rs. 12,000. B is entitled to a commission of 5% on sales. B settles his account by bank draft. Give the journal entries and the necessary accounts in the books of both the parties.

14. (a) How do you calculate days in account current under daily balance method?

Or

- (b) Kannan purchased goods from Raman, the due dates for payment is cash being as follows:

	Rs.	
Mar. 15	1,000	Due 18 <sup>th</sup> April
Apr. 21	1,500	Due 24 <sup>th</sup> May
Apr. 27	500	Due 30 <sup>th</sup> June
May 15	600	Due 18 <sup>th</sup> July

Raman agreed to draw a bill for the total amount due on the average due date. Ascertain the date.

15. (a) Write short notes on average clause.

Or

- (b) Find out the actual claim in the following case

Particulars	Rs.
Value of stock on the date of fire	25,000
Value of stock saved from fire	5,000
Value of the insurance policy	20,000

There is an average clause in the policy.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Define consignment. What is the difference between a consignment and a sale of good?

Or

- (b) Mr. R consigned 10,000 litres of oil @ Rs. 3 per litre and paid Rs. 2,000 as forwarding expenses, Mr. S, agent of Mr. R received the stock and sold 6,000 litres @ Rs. 6 per litre, and paid Rs. 1,000 as selling expenses. He was entitled for 10% commission on sales. There was a normal loss of 2%. Prepare consignment account in the books of Mr. R.

- (a) Explain the characteristics of receipts and payment account.

Or

- (b) From the following information of red cross society, prepare receipts and payments account for the year ended Dec. 31, 2019.

Cash in hand on Jan. 1, 2019 Rs. 35,000 and cash at Bank on Jan. 1, 2019, Rs. 50,000. Donation received during the year Rs. 25,000 and subscription received is Rs. 20,000. Utilities charges paid Rs. 5,000; salary paid Rs. 45,000 and outstanding salary is Rs. 5,000 honorarium paid to trainer Rs. 15,000 and rent paid Rs. 7,500, life membership fees received Rs. 15,000 and interest received on Govt. bond Rs. 1,000 purchase of computer by check Rs. 30,000 and purchase of furniture for cash Rs. 4,000 entrance fees received Rs. 10,000, purchase of supplies material for cash Rs. 6,000 and purchase of government bond Rs. 20,000, payment to petty cashier Rs. 500. Cash in hand Dec. 31, 2019 Rs. 8,000 and cash in bank Dec. 31, 2019 Rs. 15,000.

18. (a) Distinguish between consignment and joint venture.

Or

- (b) A and B were partners in a joint venture sharing profits and losses in the proportion of four-fifth and one-fifth respectively. A supplies goods to the value of \$ 5,000 and inures expenses amounting to \$ 400. B supplies goods to the value of \$ 4,000 and his expenses amounting to \$ 300. B sells goods on behalf of the joint venture and realizes \$ 12,000. B is entitled to a commission of 5 percent on sales. B settles his accounts by bank draft.

Pass necessary ledger accounts in the books of A.

19. (a) Hari owes Ram Rs. 2,000 on 1<sup>st</sup> April, 1996. From 1<sup>st</sup> April, 1996 to 30<sup>th</sup> June, 1996 the following further transactions took place between Hari and Ram

April 10 Hari buys goods from ram for Rs. 5,000.

May 16 Hari receives cash loan of Rs. 10,000 from Ram.

June 9 Hari buys goods from Ram for Rs. 3,000.

Hari pays the whole amount, together with interest @ 15% per annum to Ram on 30<sup>th</sup> June, 1996. Calculate the interest payable on 30<sup>th</sup> June, 1996 by the Average due-date method.

Or

- (b) Problem 1 : preparation of account current by interest table : prepare an account current under interest tabular method for Nath Brothers in respect of the following transactions with Shyam.

2001	Particulars	Rs.	Due date
Sept 16	Goods sold to Shyam	200	Due 1 <sup>st</sup> Oct
Oct 1	Cash received from Shyam	90	
Oct 21	Good purchased from Shyam	500	Due 1 <sup>st</sup> Dec
Nov 1	Paid to Shyam	330	
Dec 1	Paid to Shyam	330	
Dec 5	Goods purchased from Shyam	500	Due 1 <sup>st</sup> Jan
Dec 10	Goods purchased from Shyam	200	Due 1 <sup>st</sup> Jan
2002	Particulars	Rs.	Due date
Jan 1	Paid to Shyam	600	
Jan 9	Goods sold to Shyam	20	Due 1 <sup>st</sup> Feb

The account current is to be prepared up to 1<sup>st</sup> February. Calculate interest @ 6% per annum.

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20. (a) On 15<sup>th</sup> February, 2009 a fire occurred in premises of company. From following particulars ascertain the amount of claim to be lodged in case of loss of stock which insured.

	Rs.
Stock on 1 <sup>st</sup> January, 2009	5,00,000
Purchase from 1 <sup>st</sup> January, 2009 to date of fire	7,50,000
Wages	2,50,000
Manufacturing expenses	1,50,000
Sales from 1 <sup>st</sup> January, 2009 to date of fire	12,00,000

The gross profit ratio is 25%. The stock salvaged was valued at Rs. 49,500.

Or

- (b) On 12<sup>th</sup> June, 2022 fire occurred in the premises of N.R. Patel, a paper merchant. Most of the stocks were destroyed, cost of stock salvaged being Rs. 11,200. In addition, some stock was salvaged in a damaged condition and its value in that condition was agreed at Rs. 10,500. From the books of account, the following particulars were available.

- (i) His stock at the close of account on December 31, 2021 was valued at Rs. 83,500.

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(ii) His purchases from 1-1-2022 to 12-6-2022 amounted to 1,12,000 and his sales during that period amounted to Rs. 1,54,000.

Based on his accounts for the past three years it appears that he earns on an average a gross profit of 30% of sales.

Patel has insured his stock for Rs. 60,000. Compute the amount of the claim.

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