

Roll No.

Total Pages : 9

BCE/M-20

12251

FINANCIAL ACCOUNTING–II

Paper : BC-201

Time : Three Hours]

[Maximum Marks : 80

Note : Attempt *five* questions. Question No. 1 is compulsory.

Q. No. 1 is of 20 marks and rest are of 15 marks each.

Compulsory Questions

1. Explain the following :
 - (a) Accounting treatment of goods-in-transit.
 - (b) Features of instalment-payment method.
 - (c) Accounting treatment of interest on capital.
 - (d) Calculation of Gaining ratio.
 - (e) Compulsory dissolution of a firm.

2. Journalise the transactions in the books of hire purchaser and hire vendor under hire-purchase system.
3. What is Goodwill ? Discuss various factors affecting it. Pass journal entries of goodwill at the time of retirement of a partner in the books of firm.
4. Write notes on :
 - (a) Revaluation account and Realisation account.
 - (b) Partnership deed.

5. Ram purchased a Van for ₹ 4,20,000. Payment is made as ₹ 1,00,000 down and four instalments of ₹ 1,00,000 each at the end of each year. Interest is charged @ 10% p.a. Buyer depreciates the van @ 10% p.a. on written down value method.

Ram could not pay the second instalment and hire vendor took possession of the Van. The hire vendor after spending ₹ 12,800 on repairs of Van sold it for ₹ 3,10,000.

Show ledgers accounts in the books of hire vendor.

12,800

6. XYZ Ltd. has two branches at AB Nagar and RS Nagar. The goods are invoiced to branches at cost plus 50%. Branches remit all cash received to H.O. and all expenses are met by H.O.

XYZ Ltd.

+ 50%

From the following particulars, prepare required accounts under stock and debtors systems of AB Nagar Branch.

| | AB Nagar Branch (₹) | RS Nagar Branch (₹) |
|--------------------------------|------------------------|------------------------|
| Opening stock at invoice price | 93,000 | 1,56,000 |
| Opening debtors | 68,000 | 87,000 |
| Goods sent by H.O. at cost | 3,40,000 | 3,60,000 |

| | | |
|---------------------------------------------------------------------|----------|----------|
| Cash sales | 2,50,100 | 3,50,000 |
| Credit sales | 3,10,000 | 3,01,000 |
| Cash from Debtors | 3,04,000 | 2,98,000 |
| Goods returned by debtors | 12,000 | 15,000 |
| Goods returned by B.O. to H.O. | 15,000 | — |
| Goods transferred to branch from RS branch to AB Nagar branch | 21,000 | 21,000 |
| Susplus stock | — | 3,000 |
| Shortage stock | 4,500 | — |
| Discount to customers | 2,000 | 3,500 |
| Branch expenses | 54,000 | 67,000 |

| | AB Nagar Branch (₹) | RS Nagar Branch (₹) |
|-----------------|------------------------|------------------------|
| | 93,000 | 1,56,000 |
| | 68,000 | 87,000 |
| | 3,40,000 | 3,60,000 |
| | 2,50,100 | 3,50,000 |
| | 3,10,000 | 3,01,000 |
| | 3,04,000 | 2,98,000 |
| | 12,000 | 15,000 |
| | 15,000 | — |
| r | 21,000 | 21,000 |
| ; | — | 3,000 |
| | 4,500 | — |
| | 2,000 | 3,500 |
| Branch expenses | 54,000 | 67,000 |

7. X and Y were partners in a firm for 3 : 2 sharing ratio. Their Balance sheet as on 31st December, 2019 was as follows :

Balance Sheet as on 31-12-2019

| Liabilities | Amt. (₹) | Assets. (₹) | Amt. (₹) |
|--------------------------|----------|-------------|----------|
| Capital | | Buildings | 19,500 |
| X | 20,800 | Furniture | 2,400 |
| Y | 14,600 | Stock | 11,400 |
| Creditors | 6,000 | Debtors | 10,800 |
| BIP | 3,300 | Cash | 6,600 |
| Reserve | 7,000 | Bank | 4,000 |
| Employees Provident Fund | 3,000 | | |
| | 54,700 | | 54,700 |

| Liabilities | Amt. (₹) | Assets. (₹) | Amt. (₹) |
|-------------|----------|-------------|----------|
| | | | 19,500 |
| X | 20,800 | | 2,400 |
| Y | 14,600 | | 11,400 |
| | 6,000 | | 10,800 |
| | 3,300 | | 6,600 |
| | 7,000 | | 4,000 |
| | 3,000 | | |
| | 54,700 | | 54,700 |

On 1st January, 2020, Z was admitted into firm for 1/3rd share and X and Y continued their old sharing ratio.

Z

On Z's admission, following changes were made :

- (i) Debtors reduced by 5% and creditors increased by 10%.
- (ii) Building appreciated to 125%.
- (iii) Furniture depreciated to 80%.
- (iv) A contingent liability of ` 5,000 became certain liability.
- (v) Z bring goodwill of ` 15,000 in cash.

Z will bring his capital as per his share in the firm.

Prepare revaluation account, Partners' Capital Accounts and Balance Sheet.

8. A, B and C were partners sharing profits and losses in proportion of their capitals. Their balance sheet was as follow on 31st March, 2020.

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| Liabilities | Amt. (₹) | Asset. (₹) | Amt. (₹) |
|-------------|-----------|------------------------------|-----------|
| Creditors | 1,74,000 | Cash at Bank | 10,000 |
| P/L A/c | 1,26,000 | Debtors | 2,35,000 |
| | | Provision for doubtful debts | 12,000 |
| Capital | | | 2,23,000 |
| A | 4,00,000 | Stock | 2,17,000 |
| B | 3,00,000 | Machinery | 3,50,000 |
| C | 2,00,000 | Land and Building | 4,00,000 |
| | 12,00,000 | | 12,00,000 |

On this day B decided to retire on following terms that :

- (i) G.W. of the entire firm was fixed at Rs. 2,52,000 and B's share of it be adjusted into the accounts of A and C who will share future profits in the ratio of 4 : 3. G.W. was to be passed through the books without raising a goodwill account.
- (ii) Land and building increased to 110%.
- (iii) Machinery reduced to 80%.

- (iv) Provision for doubtful debt is not required.
- (v) The entire capital of the new firm be fixed at ` 7,00,000 between A and C in the proposition of 4 : 3 by paying off excess in cash or bring in deficit as the case may be.

Prepare necessary accounts and Balance Sheet of the new firm.

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9. X, Y and Z commenced business on 1st January, 2018 with capital of ` 10,00,000; ` 8,00,000 and ` 6,00,000 respectively. Profit sharing ratio was 4 : 3 : 3 respectively. Capital carry interest @ 5% p.a.

During 2018 and 2019 they made profits of ₹ 4,00,000 and ₹ 5,00,000 before allowing interest on capital. Drawing of each partner was ₹ 1,00,000 per year.

On 31st December, 2019 the firm was dissolved. Creditors on that date were ₹ 2,40,000. The assets realised net amount of ₹ 26,00,000.

Prepare all necessary accounts.

₹ 8,00,000

₹ 5,00,000

1,00,000

₹ 2,40,000

₹ 26,00,000
