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**SUBJECT CODE NO: - X-3042**  
**FACULTY OF COMMERCE & MANAGEMENT**  
**B.Com F.Y Sem. II**  
**Examination March / April - 2023**  
**Financial Accounting - II**

[Time: 3:00 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

N. B

- 1) Q.no. one is compulsory
- 2) Solve any four questions from 2 to 7

Q1 Answer the following

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A) Fill in the blanks

- 1) In Income and expenditure Account expenses are recorded on the -----and income on the -----
- 2) Accounting standards in India is issued by the -----
- 3) The goods sent by the head office may be either at -----or cost plus profit.
- 4) An account sale is prepared and sent by the -----
- 5) Departmental Account are prepared to know separately the ---of each department.

B) Multiple choice questions

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- 1) In Departmental Accounting where separate books are kept for each department it is commonly referred to as:
  - a) Independent Accounting
  - b) Columnar Accounting
  - c) Consolidated Accounting
  - d) Single entry system
- 2) When Branch 'A' sends goods to Branch 'B' in the books of Branch 'A' debit is given to :
  - a) Head office A/C
  - b) Branch A/C
  - c) Branch Head office A/C & Branch A/C
  - d) No entry
- 3) The relationship between consignor and consignee is that of :
  - a) Employer and employee
  - b) Business partners
  - c) Owner and servant
  - d) Principle and agent

- 4) The main objective of non-trading concern is to
- Earn profit
  - To create monopoly
  - Both a and b
  - Welfare of society
- 5) Structure of Accounting principles includes
- Accounting concepts
  - Accounting conventions
  - Fundamental assumptions
  - All of the above

C) Answer the following in true /false

- Under debtors system Branch Account is a nominal account
- The credit balance of consignment account represents net profit
- Accounting standards and accounting principles is one and the same thing
- In departmental Accounting each department is treated as a separate entity for the purpose of recording and reporting
- Balance sheet shown the financial position of the business.

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D) Match the following pairs:

1. As-2	a) Stock Reserve A/C
2. Income of Non trading concerns	b) Subscriptions
3. Non- departmental expenses	c) Principal and Agent
4. Loading in stock	d) Valuation of Inventories
5. Consigner and consignee	e) Charged to general profit and loss A/C

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Solve any four questions of the following

Q2 Write in detail accounting principles and accounting standards

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Q3 The following is the Receipts and payments account of Indian club for the year ended 31<sup>st</sup> Dec 2021 15

## Receipts and Payments A/C

Receipts	Amount	Payments	Amount
To opening Bal	5000	By furniture	6000
To Donations	10,000	By TV set	4000
To subscriptions:		By salaries	6000
For 2020	1200		
For 2021	19,000		
For 2022	500		
To rent of hall	2200	By electric charges	1100
To interest on securities	1000	By telephone charges	1600
To receipts from cultural shows	2000	By printing and stationery	1700
To sale of old furniture (book value of Rs.1000)	600	By Meeting exp.	2400
To sale of old newspapers	100	By travelling exp.	1600
		By books	1000
		By newspapers	800
		By Municipal taxes	900
		By charity	1300
		By .Exp.on cultural shows	1400
		By closing balance	11800
	41,600		41,600

## Additional Information :

- 1) The club has 200 members each paying an annual subscription of Rs.100
  - 2) Subscriptions outstanding on 31-12-2020 were Rs.1500
  - 3) Outstanding liabilities on 31-12-2021 were salaries Rs.1200 printer's bill Rs.100
  - 4) Municipal taxes were paid for the year ending 31-03-022
  - 5) On 1-1-21 the club owned land and Building Rs.25,000 furniture Rs.12,000 Books Rs. 6000 and 10% G.P Notes Rs. 15,000
  - 6) Donations are to be funded for a prize to be awarded by the club
- Prepare Income and expenditure account and Balance sheet as on 31<sup>st</sup> Dec 2021

- Q4 M/S Himalaya Traders of Himachal consigned 500 bags to M/S Tarachand and Co. of Punjab and enclosed a proforma invoice at a selling price of Rs. 5,00,000 which was 25% on cost they paid freight Rs. 25,000 insurance Rs.5000. they drew a bill of exchange of Rs.2,50,000 on M/S Tarachand and Co. which was duly accepted by them. M/S Tarachand and Co. Punjab received the consignment They paid clearing charges of Rs.2000 duty Rs. 8000. 15

M/S Himalaya Traders endorsed the bill of exchange at 1% discount M/S Tarachand and Co. also incurred selling expenses of Rs. 5000 and paid to travelling salesman salaries of Rs.5000. they sold 450 bags and charged their commission at 5% on sale proceeds 50 bags remained unsold with them. They sent an account sale enclosing a bank draft for the balance

On the due date the bill of exchange was duly met by M/S Tarachand and Co.

You are required to show the necessary Journal entries in the book of :

- 1) M/S Himalaya Traders of Himachal
- 2) M/S Tarachand And Co. Punjab

- Q5 Prepare departmental Accounts from the following details supplied by Diamond Departmental store opened recently. 15

	Dept .A	Dept.B	Dept.C
Purchases	92,000	61,000	31,000
Sales	1,60,000	1,20,000	80,000
Wages	10,000	6,000	5,000
Closing stock	25,000	30,000	20,000

The expenses which are to be charged to each department on the basis of turnover are as follows

	Rs.
Salaries	36,000
Rent , Rates and Taxes	9,000
Printing and stationery	1,800

Inter –departmental transfer were as follows

- a) Department A transferred to Department B goods costing Rs.4000 at a profit of Rs.1000. All of these goods were sold off by Department B
- b) Department A transferred to Department C goods costing Rs. 12,000 at a profit of Rs. 3000 all of these goods were in stock with department C and were valued at transfer price.

- Q6 Rodiya and Co. of Bangluru are running a branch at Kannad. Goods are invoiced to branch at selling price which is 25% above cost from the following details prepare Branch Account in the books of H.O

	Rs.
Stock on 1 <sup>st</sup> Jan 2021	25,000
Furniture on 1 <sup>st</sup> Jan 2021	4,000
Petty cash Bal on 1 <sup>st</sup> Jan 2021	200
Goods sent to branch	75,000
Cash sales	50,000
Credit sales	30,000
Cash received from debtors	12,000
Cash paid by branch debtors to H.O	5000
Discount allowed to debtors	600
Bad debts written off	400
Cheques sent to Branch for expenses salaries	2400
Advertisement	600
Rent (including Rs.200 for Jan 2022 )	2000
Petty cash	500
Goods returned by branch	3,000
Goods returns by debtors	1,000
Petty expenses at Branch	600
Depreciation on furniture	20%
Goods damaged at invoice price (uninsured )	2000
Debtors on 31 <sup>st</sup> Dec 2021	21,000
Stock on 31 <sup>st</sup> Dec 2021	16,000

- Q.7 Write a short notes from the following (any three)

- 1) Elaborate accounting principles
- 2) Accounting conventions
- 3) AS-1
- 4) AS-2
- 5) AS-9