Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_



**End Semester Examination – Nov / Dec – 2019**

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| **Code :** | **18PA2003** | **Duration :** | **3hrs** |
| **Sub. Name :** | **FINANCIAL ACCOUNTING - II** | **Max. Marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | | **Marks** |
| 1. |  | H. Ltd. forwarded on 1st December, 2011, 50 pressure cookers to Kale of Mumbai to be sold on behalf of H. Ltd. The cost of one pressure cooker was Rs 1,200 but the invoice price was Rs 1,600. H. Ltd. incurred Rs 2,000 on freight and insurance. Kale received the consignment on 14th December, 2011 and accepted a 3 months’ draft drawn upon him by H. Ltd. for Rs 40,000. Kale paid Rs 1,050 as rent and Rs 250 as insurance and by 31st March had disposed of 40 pressure cookers at Rs 1,640 each. Kale is entitled to a commission of 5 per cent on sales including a del credere commission of 1%. Kale sold 10 pressure cookers son credit and was not able to recover sale proceeds of one pressure cooker because of insolvency of the debtor.  You are required to:  (i) Prepare all the ledger accounts in the books of H Ltd; and  (ii) Pass journal entries for all the transactions relating of  consignment. | CO3 | | 20 |
| **(OR)** | | | | | |
| 2. | a. | Differentiate Joint venture from consignment. | CO4 | | 10 |
| b. | Discuss the accounting treatment of normal and abnormal loss in consignment. | CO3 | | 10 |
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| 3. |  | Compare and contrast Joint venture and Partnership. | CO4 | | 20 |
| **(OR)** | | | | | |
| 4. |  | Arun and Varun were partners in a joint venture sharing profits and losses in the proportion of four-fifths and one-fifth respectively. Arun supplies goods to the value of Rs 50,000 and incurs expenses amounting to Rs 5,400. Varun supplies goods to the value of Rs 14,000 and his expenses amount to Rs 800. Varun sells goods on behalf of the joint venture and realises Rs 92,000. Varun is entitled to a commission of 5 per cent on sales. Varun settles his account by bank draft. Give the journal entries and the necessary accounts in the books of Arun. | CO3 | | 20 |
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| 5. | a. | A colliery worked coal under a lease which provided for the payment of royalties at Rs 5 per tonne with a minimum rent of Rs 1,70,000 per annum. Each year’s excess of minimum rent over the actual royalties was recoverable during the subsequent three years.  The lease, however, stipulated that if in any year the normal rent was not attained due to strike or accident, the minimum rent was to be regarded as having been reduced proportionately having regard to the length of the stoppage. The output was as follows:  [http://cdn.yourarticlelibrary.com/wp-content/uploads/2016/03/clip_image012_thumb2_thumb-10.jpg](http://cdn.yourarticlelibrary.com/wp-content/uploads/2016/03/clip_image012_thumb2-10.jpg)  During the year 2010-11 there was a stoppage due to strike lasting three months. Give the necessary ledger accounts in the books of the colliery for each of the above years. | CO3 | | 20 |
| **(OR)** | | | | | |
| 6. | a. | Explain the following:  (i) Columnar Investment account  (ii) Royalty  (iii) Minimum Rent  (iv) Recoupment of shortworkings | CO2 | | 20 |
| 7. | a. | The premises of X Ltd. caught fire on 22nd January, 2012 and the stock was damaged. The firm made up accounts to 31 March each year and on 31st March, 2010 the stock at cost was Rs 13,27,200 as against Rs 9,62,200 on 31st March. 2010.  Purchases from 1st April, 2011 to the date of fire were Rs 34,82,700 as against Rs 45,25,000 for the full year 2010-11 and the corresponding sales figure were Rs 49,17,000 and Rs 52,00,000 respectively.  You are given the following further information:  (i) In July, 2011, goods costing Rs 1,00,000 were given away for advertising purposes, no entries being made in the books.  (ii) During 2011-2012, a clerk misappropriated unrecorded cash sales. It is estimated that the defalcation averaged Rs 2,000 per week from 1st April, 2011 until the clerk was dismissed on 18th August, 2011.  (iii) The rate of gross profit is constant. From the above information, make an estimate of the stock in hand on the date of fire and the claim lodged. | CO3 | | 20 |
| **(OR)** | | | | | |
| 8. |  | Fire occurred in the premises of Sun Ltd. on 10th January, 2012. All stocks were destroyed except to the extent of Rs 62,000.  From the following figures, ascertain the loss suffered by the company and the amount lodged to insurance company assuming that the average clause policy is included  [http://cdn.yourarticlelibrary.com/wp-content/uploads/2016/03/clip_image014_thumb2_thumb-9.jpg](http://cdn.yourarticlelibrary.com/wp-content/uploads/2016/03/clip_image014_thumb2-7.jpg)  It was the practice of the firm to value stock at cost less 10%. Early in April, 2011, prices were raised by 5%. | | CO3 | 20 |
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|  | | **Compulsory:** | |  |  |
| 9. |  | Delhi Tourist Service Ltd. purchased from MarutiUdvog Ltd. a motor van on 1st April 2009 the cash price being Rs 1,64,000. The purchase was on hire purchase basis, Rs 50.000 being paid on the signing of the contract and, thereafter, Rs 50,000 being paid annually on 31st March, for three years, Interest was charged at 15% per annum.  Depreciation was written off at the rate of 25 per cent per annum on the reducing instalment system. Delhi Tourist Service Ltd. closes its books every year on 31st March. Prepare the necessary ledger accounts in the books of Delhi Tourist Service Ltd. | | CO3 | 20 |