

Reg. No.

--	--	--	--	--	--	--	--	--	--

BCMCMC 159

II Semester B.Com. Degree Examination, April/May 2019

(Credit Based Semester Scheme)

(2016-17 Batch Onwards)

Financial Accounting - II

Time : 3 Hours]

[Max. Marks : 120

Instructions : Provide working notes wherever necessary.

SECTION - A

Answer **any four** questions :

(4 × 6 = 24)

1. Give the meaning of

(a) Account Sales

(b) Del-credre commission.

2. State the difference between hire purchase system and installment system.

3. From the following calculate total sales :

	Rs.
Opening debtors	15,000
Closing debtors	18,000
Cash received from debtors	30,000
Sales return	2,000
B/R received during the year	16,000
Bad debts written off	1,000
Cash sales	25,000
Provision for doubtful debts	500

Sri Dharmasthala Ananthaswarara
College of Business Administration Library
MANGALORE - 575 003



4. A fire occurred in the premises of Anand & Co., on 1st September, 2018 and stock of the value of Rs. 1,01,000 was salvaged and the business books and records were saved. The following information was obtained :

	Rs.
Purchase for the year ended 31.3.2018	6,80,000
Sales for the year ended 31.3.2018	11,00,000
Purchases from 1.4.2018 to 1.9.2018	2,50,000
Sales from 1.4.2018 to 1.9.2018	3,60,000
Stock on 1.4.2017	3,00,000
Stock on 31.3.2018	3,40,000

Further information is that the stock on 31.3.2018 was overvalued by Rs.20,000. Calculate the amount of the claims to be presented to the Insurance Co., in respect of the loss.

5. Kiran purchased a T.V. on 1.1.2015 on the hire purchases system. The payment is to be made as follows :
- Rs. 4,000 on delivery. Rs. 7,600 at the end of the first year, Rs. 6,000 at the end of the second year and Rs. 5,500 at the end of the third year. Interest at 10% p.a. is included in these installments.

Find out cash price of the T.V.

6. On 1st January 2019, Heera drew a 2 months bill on Meera for Rs. 10,000 and the letter accepted the same. On the due date, the bill was dishonoured and noting charges of Rs. 100 are paid.

Pass journal entries in the books of both the parties.

SECTION - B

Answer **any four** questions :

(4 × 12 = 48)

7. What are the merits and demerits of single entry system?
8. From the details of consignment given below you are required to prepare consignment account, consignee's account and abnormal loss account in the books of consignor.
- (a) 10000 litres of nitric acid at Rs. 200 per litre sent to consignee
- (b) Freight Rs. 5,000 and insurance Rs. 5,000 paid by the consignor

- (c) Consignee has spent Rs. 10,000 on selling. He is also entitled to 5% commission on sales
- (d) 2000 litres of acid was lost in transit due to breakage of jars. The insurance company admitted the claim for Rs. 35,000
- (e) Sales - 5,700 litres at Rs. 250 per litre
- (f) The consignee has reported a loss of 400 litres due to leakage.

9. Uday purchased a motor car from Nayak Motors on 1st January 2015 on installment system. The payment is to be made as follows :

Rs. 80,000 on delivery, Rs. 1,52,000 at the end of the first year, Rs. 1,20,000 at end of second year and Rs. 1,10,000 at the end of the third year. Interest @ 10% p.a. is included in these installments. Uday charged depreciation on the car at 20% p.a. on the diminishing balance.

You are required to prepare Nayak motor account, motor car account and interest suspense account in the books of Uday.

10. Manoj purchased a machine under hire purchase system from Pankaj. The cash price of the machine was Rs. 15,500. The payment for the purchase is to be made as under :

	Rs.
On signing the contract	3,000
End of the first year	5,000
End of the second year	5,000
End of the third year	5,000

Shri Dharmapala Mahalingaiah
College of Business Management
MANGALORE - 675 003

Manoj has decided to charge depreciation at the rate of 10% p.a. on the diminishing balance of the cash price.

Prepare Machinery A/c and Pankaj A/c in the books of Manoj.

11. A fire occurred in the premises of a company on 1.7.2018. From the following information, calculate the claim.

	Rs.
Stock on 1.1.2017	63,000
Purchases for the year ending 31.12.2017	4,00,000
Sales for the year ending 31.12.2017	5,00,000
Wages for the year ending 31.12.2017	20,000
Stock on 31.12.2017	81,000



	Rs.
Purchases from 1.1.2018 to the date of fire	2,00,000
Sales from 1.1.2018 to the date of fire	3,00,000
Stock salvaged	10,000
Value of policy	30,000

There is an average clause in the policy. It is the practice of the company to value the stock at 10% less than the cost.

12. Arun draws a bill on Bharath for Rs. 50,000 and Bharath accepts it and returns it to Arun. Arun endorses it to Chethan, who later endorses it to Dinesh. Dinesh discounts the same with his banker and receives Rs. 49,500. The bill is dishonoured on the due date and the noting charges incurred by the banker is Rs. 250.

Pass the necessary entries in the books of Arun, Bharath, Chethan and Dinesh assuming the bill is taken up by Arun on dishonour.

SECTION - C

Answer **any two** questions :

(2 × 24 = 48)

13. From the following information relating to Mahesh who keeps his books on single entry system, prepare trading and profit and loss account for the year ending 31.12.2018 and a balance sheet as on that date :

	1.1.2018	31.12.2018
	Rs.	Rs.
Creditors	18,000	?
Furniture	8,000	8,000
Debtors	?	55,000
Stock	12,000	10,500
Cash	24,000	?

Other particulars :

	Rs.
Receipts from debtors	1,75,000
Paid to creditors	90,000
Total sales (including cash sales Rs. 38,000)	2,25,000



15. On 1.4.2018, Amar accepts a three months bills drawn by his creditor Ashok, for Rs. 1,00,000. On 5.5.2018, Ashok discounts the same at 5% p.a. Amar, being unable to meet the bill at maturity, requests Ashok to accept Rs. 40,000 in cash and to draw another bill for three months for the balance sum plus interest at 7% p.a. and Ashok agrees. But before the second bill matures, Amar becomes insolvent and is unable to pay any amount whatsoever.

Show the journal entries in the books of both the parties.

16. M/s. SRR traders purchased from Vikram Motors Company, 3 trucks costing Rs. 6,00,000 each on hire purchase systems. Payment was to be made Rs. 3,60,000 down and the remainder in 3 equal annual installments with interest at 9% p.a. M/s SRR traders write off depreciation at 20% p.a. on the diminishing balance. They paid the 1st installment but could not pay the next. Vikram Motor Company agreed to leave one truck with M/s SRR traders adjusting the value of other 2 trucks against the amount due. The trucks were valued on the basis of 30% depreciation p.a. on the written down value.

Show the necessary ledger accounts in the books of both the parties for two years.

Shri Dharmasthala Manjunatheshwara
College of Management Library
MANGALORE - 575 003