



**Credit Based Second Semester B.Com. Degree Examination, April/May 2015
(2014-15 Batch Onwards)**

COMMERCE**Financial Accounting – II**

Time : 3 Hours

Max. Marks : 120

Instruction : Provide working notes wherever necessary.

SECTION – AAnswer **any four** questions.**(4×6=24)**

1. What is delcredere commission ? How it effect Baddebts to the consignee ?
2. What is meant by noting and protesting of a bill ?
3. From the following details find out credit sales by preparing total debtors account.

Opening debtors	60,000
Cash received from debtors	5,40,000
Cheques received from debtors	75,000
Bills receivable received during the year	15,000
Bills receivable honoured during the year	7,500
Cheques from debtors dishonoured	1,500
Baddebts written off	7,500
Sales return	6,000
Bills receivable dishonoured	1,500
Provision for doubtful debts	750
Closing debtors	72,000

4. A fire occurred on Sept. 30, 2014 in the godown of Anand. From the following figures ascertain the amount of fire claim to be ledged.

Stock on January 1, 2014 ₹ 17,000

Purchases from Jan. 1, 2014 to the date of fire ₹ 1,70,000

Wages and manufacturing expenses ₹ 17,000

Sales from January 1, 2014 to the date of fire ₹ 2,00,000

The rate of G.P. is 25% on cost. The stock salvaged was valued at ₹ 4,000.



5. Vinod purchased a scooter on 1-1-2012 on installment basis costing 36000, the terms of payment are as follows.
- Vinod should pay ₹ 6,000 initially.
 - The balance in 4 half yearly installment of ₹ 9,000 each over two years.
- He provides depreciation at 20% p.a. on reducing balance method on 31st Dec. every year. Ascertain interest included in each installment.
6. On 1st Jan. 2014 Chinnu sold goods on credit to Tinku for ₹ 5,000 for which he accepts a bill for 3 months. Chinnu sent the bill to his banker for collection on the same day. On the due date the bill is honoured. Pass Journal Entries in the books of Chinnu and Tinku.

SECTION – B

Answer **any four** questions.

(4×12=48)

7. Explain features of Hire Purchase System and state the difference between sales and Hire Purchase System.
8. Arun draws a bill for ₹ 10,000 on Barun. Barun accepts it and returns it to Arun. Arun endorses it to Charles and Charles endorses it to David. David discounts the bill for ₹ 9,800. On the due date the bill is dishonoured and the noting charges incurred by the bankers amounting to ₹ 200. Pass Journal Entries in the Books of all the parties. Assuming that the bill is taken up by Arun on dishonour.
9. A fire occurred in the premises of H Company Ltd. on 6th Sept. 2014. All Stock was destroyed except to the extent of ₹ 6,200. From the following ascertain the loss suffered.
- | | |
|-------------------------------------|----------|
| Stock on 1 st Jan. 2013 | 36,000 |
| Purchases during 2013 | 1,45,000 |
| Sales during 2013 | 2,00,000 |
| Stock on 31 st Dec. 2013 | 22,500 |
| Purchases during 2014 up to fire | 1,46,000 |
| Sales for the above period | 1,89,000 |
- It was the practice of the firm to value stock at cost less 10%. Early in 2014 the sales price was raised by 5%.
10. Uday purchased a motar car from Giri motors on 1 Jan. 2012 on instalment system. The payment is to be made as follows.
- ₹ 80,000 on delivery
 - ₹ 1,52,000 at the end of first year
 - ₹ 1,20,000 at the end of second year
 - ₹ 1,10,000 at the end of third year
- Interest at 10% p.a. is included in these instalments. Uday charged depreciation at 20% p.a. on diminishing balance. Calculate the cash price of the car. Prepare Giri Motors Account, Motor Car A/c and Interest Suspense Account in the books of Uday.



11. From the following prepare total Debtors Account and total Creditors Account and find credit sales and credit purchases.

Debtors on 1 st Jan.	5,000
Debtors on 31 st Dec.	4,000
Creditors on 1 st Jan.	4,000
Creditors on 31 st Dec.	6,000
B/P issued during the year	8,000
Cash paid to creditors	20,700
Discount allowed	150
B/R endorsed to creditors	4,000
Endorsed B/R dishonoured	500
Sales return	600
Cash from debtors	3,000
Cash returned to customers	270
Bad debts written off	1,200
B/R dishonoured by customer	1,000
Discounted B/R dishonoured	700
Purchases return	200

12. Sushma consigned 10 cycles costing ₹ 1,500 each to Smitha on 1st March 2013 paying ₹ 750 as freight and ₹ 250 as insurance. Smitha accepted a bill drawn on her by Sushma for ₹ 10,000 on 15 March 2013 and paid godown rent of ₹ 400 insurance of ₹ 250 unloading charges ₹ 100. They are entitled to a commission of 5%. Smitha sold eight cycles at ₹ 2,050 each and sent a bank draft for the amount due after deducting their commission, expenses and advance. Prepare necessary ledger A/c in the books of Sushma.

SECTION – C

Answer **any two** questions.

(2×24=48)

13. Mr. Prasad purchased a Motor Car on 1-1-2011 agreeing to pay the price in four annual instalment of ₹ 2,820 at the end of each year commencing the year of agreement. The interest was charged at 5% and that interest is included in the instalment of ₹ 2,820. Depreciation at 10% on written down value to be charged. The purchaser paid the 1st and 2nd instalment but could not pay the 3rd instalment where upon the vendor repossessed the car. The Vendor spends ₹ 294 on the repossessed car and sells it for ₹ 6,500. Show the necessary ledger accounts in the books of both the parties. Calculations are made to the nearest rupee.



14. David kept his books of accounts under single entry system. An analysis of rough cash book for the year 2014, shows the following particulars.

Cash Account			
To Debtors A/c	60,000	By Overdraft on 1-1-2014	7,400
To Capital A/c	5,000	By Creditors A/c	25,000
		By Business Expenses	10,000
		By Wages	15,500
		By Drawings	3,000
		By Balance at Bank on 31-12-2014	4,000
		By Cash in hand on 31-12-2014	100
	65,000		65,000

The following additional information is available.

	1-1-2014	31-12-2014
Debtors	53,000	88,000
Creditors	15,000	19,500
Stock	17,000	19,000
Machinery	20,000	20,000
Furniture	1,400	1,400

All the sales and purchases were on credit from the above information. Prepare Trading and P/L A/c and Balance Sheet after providing depreciation on Machinery at 10% and furniture at 5%.

15. On 1-4-2014 Amar accepted a three months bill drawn by his creditor Ashok for ₹ 10,000. On the same date Ashok discounts the same at 5% p.a. Amar being unable to meet the bill at maturity, request Ashok to accept ₹ 4,000 in cash and to draw another bill for three months for the Balance amount plus interest at 7% p.a. Ashok agrees. Before the Second bill matures. Amar becomes insolvent and is unable to pay any amount what so ever. Show Journal entries in the books of both the parties.
16. A Ltd. forwarded on 1. Jan. 2014 200 machines to 'X' of Bangalore. The cost of each machine was ₹ 3,000 but were invoiced at ₹ 4,000 each. A Ltd. incurred ₹ 20,000 on freight and insurance X received the consignment on 16 Jan. 2014 and accepted a 2 months draft drawn upon him by A Ltd. for ₹ 2,00,000. X paid ₹ 8,000 as rent and ₹ 5,000 as insurance and by 30th June 2014. He disposed 160 machines at ₹ 4,100 each (120 on cash 40 on credit). X is entitled to a commission of 5% on sales including delcredree commission of 1%. X was not able to recover sale proceeds of 10 machines because of insolvency of debtors. Prepare necessary ledger accounts in the books of consignor and consignee.