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**BBMBMC 157**

**Credit Based II Semester B.B.M. Degree Examination, May/June 2016  
(2012 Scheme)**

**ACCOUNTING – II**

Time : 3 Hours

Max. Marks : 80

**Instruction :** Provide working notes *wherever* necessary.

**SECTION – A**

**(1 mark each)**

1. Answer **any ten** questions from the following : **(1×10=10)**
- What is Receipts and Payments Account ?
  - How do you treat life membership fees received by a non-trading concern ?
  - What is meant by special fund in case of Non-Trading concern ?
  - What is overriding commission ?
  - Give the meaning of consignment.
  - Pass the journal entry to record abnormal loss in the books of consignor.
  - What is partnership deed ?
  - What is Revaluation Account ?
  - Give the journal entry for distribution of general reserve on retirement of a partner.
  - When is an executor's account opened ?
  - What is sacrifice ratio ?
  - What is piecemeal on call distribution of cash ?

**SECTION – B**

**(5 marks each)**

- Answer **any five** questions : **(5×5=25)**
- State difference between Income and Expenditure Account and Receipts and Payments Account.
  - Explain the important methods of calculation of Goodwill in the case of partnership firm.
  - Classify the following into capital or revenue expenditure or receipt.
    - Repairs to Lecture Hall.
    - Benefit show expenses.
    - Purchase of a typewriter for office use.
    - Subscriptions to news paper.
    - Freight charges on asset purchased.

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5. 1,000 radio costing ₹10,00,000 were sent on consignment. Consignor spent ₹36,000 on freight etc. 20 radios were destroyed during transit consignee incurred the following expenses in connection with consignment.
- ₹9,000 by way of duty and clearing charges.
  - ₹10,000 by way of advertisement. Consignee sold 780 radios. Find out the value of abnormal loss and consignment stock.
6. A, B and C are partners in a firm sharing profits and losses in the ratio of 2 : 3 : 4. B retires and the goodwill of the firm is valued at ₹54,000. Assuming that A and C will share future profits in the ratio of 3 : 5, pass journal entries to record goodwill if it is decided to create goodwill to the extent of B's share and it is not allowed to remain in the books. Also give gain ratio of A and C.
7. Naga, Shiva and Chandra are partners in a business having profits and losses in the ratio of 2 : 2 : 1 respectively. Their Balance Sheet as at on 31-12-2015 was as follows :

<b>Liabilities</b>	₹	<b>Assets</b>	₹
Creditors	50,000	Cash at Bank	10,000
Capitals :		Bills Receivables	15,000
Naga	30,000	Debtors	40,000
Shiva	50,000	Stock	30,000
Chandra	20,000	Furniture	15,000
		Buildings	40,000
	<b>1,50,000</b>		<b>1,50,000</b>

Chandra died on 30-4-2016 and he entitled to get the following :

- His share of profit up to the date of death calculated at ₹2,000.
- Interest on capital up to the date of death ₹400.
- His share of goodwill ₹30,000.

Show Chandra capital account and ascertain the amount due to his executors.

8. Monty, Naresh and Omkar are in partnership sharing profits and losses in the ratio of 5 : 3 : 2. Following is their Balance Sheet on 31-12-2015 on which date they dissolved their partnership.

<b>Liabilities</b>	₹	<b>Assets</b>	₹
Creditors	40,000	Premises	40,000
Monty's loan	10,000	Machinery	30,000
Capitals		Stock	30,000
Monty	60,000		



Naresh	15,000	Debtors	60,000
Omkar	45,000	Cash	10,000
	1,20,000		
	<b>1,70,000</b>		<b>1,70,000</b>

It was agreed to repay the amounts due to the partners as and when the assets realised, namely

I realisation ₹ 30,000

II realisation ₹ 75,000

III realisation ₹ 45,000

Show piecemeal distribution of cash.

### SECTION – C (15 marks each)

Answer **any three** questions from the following :

(15×3=45)

9. Padma and Pankaja are partners in a firm. Their Balance Sheet as on 31-12-2015 was as follows :

#### Balance Sheet as at on 31-12-2015

Liabilities	₹	Assets	₹
Creditors	16,000	Cash at Bank	2,000
Bills payable	5,000	Debtors	20,000
Reserve Fund	4,000	Stock	18,000
Capitals :		Investments	3,000
Padma	25,000	Furniture	12,000
Pankaja	25,000	Buildings	20,000
	<b>75,000</b>		<b>75,000</b>

On 1-1-2016 they admitted Kamala for 1/5 share in future profits on the following terms :

- That Kamala should bring in cash ₹ 15,000 for capital and ₹ 10,000 for goodwill, goodwill amount to be withdrawn by the old partners.
- Stock and furniture to be depreciated by 10% and building be appreciated by 20%.
- Provide R.B.D. at 5% on Debtors. Prepare
  - Revaluation A/c
  - Goodwill Account
  - Capital Accounts and
  - Balance Sheet of the new firm

10. Arathi, Bharathi and Chandravathi are partners who were sharing profits and losses in the ratio of 2 : 2 : 1. They decided to dissolve on 31-12-2015. Their Balance Sheet as on that date was as under :

Liabilities	₹	Assets	₹
Creditors	41,000	Cash at Bank	2,01,000
Capitals :		Debtors	70,000
Arathi	4,00,000	Stock	4,00,000
Bharathi	2,00,000	Furniture	10,000



Chandravathi	1,80,000	Machinery	1,00,000
Reserve Fund	1,00,000	Buildings	2,00,000
Bharathi's Loan	60,000		
	<b>9,81,000</b>		<b>9,81,000</b>

The assets realised as follows :

Building ₹ 1,60,000 ; Machinery ₹ 90,000 ; Furniture ₹ 7,500 ; Stock ₹ 4,20,000 and Debtors ₹ 60,000. Creditors are paid in full. The expenses of realisation amounted to ₹ 10,000.

Prepare i) Realisation Account ii) Capital Accounts iii) Bank Account.

11. Receipts and Payments Account for the year ending 31-12-2015 of Vanitha Sports Club, Udupi is given below :

Receipts	₹	Payments	₹
To Balance b/d	70,000	By Furniture	20,000
To Entrance fees	50,000	By Games Expenses	40,000
To Donations	30,000	By Sports Materials	80,000
To Tournaments	20,000	By Subscription to newspaper	10,000
To Subscriptions	35,000	By Electric charges	5,000
To Life Membership fees	30,000	By Rent	10,000
To Interest	10,000	By Balance c/d	80,000
	<b>2,45,000</b>		<b>2,45,000</b>

Other balances on 1-1-2015 :

Buildings ₹ 2,00,000, Furniture ₹ 50,000, Sports Materials ₹ 60,000. Subscription in arrears ₹ 10,000. Rent due for 2014 ₹ 5,000. Donations are capitalised. Provide depreciation on building at 5%, sports materials ₹ 10,000. Subscriptions due for 2015 ₹ 5,000.

Prepare Income and Expenditure A/c and Balance Sheet as on 31-12-2015.

12. Amruta Traders of Amrutasara consigned on 15<sup>th</sup> March, 2015 45 cases of cutlery goods costing ₹ 40,000 to Udupa of Udupi. The consignor paid packing charges ₹ 450 and freight ₹ 4,500. On July 1, 2015, Udupa forwarded an account sales with the following details :

Expenses paid on consignment clearing charges ₹ 250, carriage ₹ 200 Godown rent ₹ 300.

Goods were sold at ₹ 1,500 per case. Udupa was entitled for 5% commission on gross sale proceeds. He enclosed a bank draft for the amount due from him.

Prepare necessary ledger accounts in the books of Amruta Traders and Amruta Traders Account in the books of Udupa.