



WEST BENGAL STATE UNIVERSITY
B.Com. Programme 3rd Semester Examination, 2021-22

FACGCOR06T-B.COM. (DSC6)

FINANCIAL ACCOUNTING-II

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words as far as practicable
All symbols are of usual significance.*

GROUP-A

Answer any *two* questions from the following

10×2 = 20

1. Write the advantages and disadvantages of Departmental Accounting.
2. What is Hire-Purchase Agreement? State the limitations of Hire-Purchase Agreement.
3. Discuss the Principles of Garner vs. Murray case when a partner becomes insolvent.
4. A, B and C are partners sharing profits and losses as 2 :2:1. They get interest on capital at 5 % p.a. and are charged @ 6% p.a. on their Drawings. A and B are paid @ Rs. 250 and Rs. 150 per month respectively. A would be paid 6% interest on his loan. A paid Rs. 25,000 as loan on 1.7.2021. A, B and C withdrew Rs. 10,000; Rs. 8,000; and Rs. 6,000 respectively during the year 2021. C is entitled to a commission at 2% on total sales of Rs. 3,46,000 during the year. On 1.1.2021 the Capital balances of A, B, and C were Rs. 1,00,000; Rs. 80,000; and Rs. 60,000 respectively. The net profit for the year is Rs. 1,00,000.
You are required to show Profit and Loss Appropriation A/C and Partners Capital A/C for the year ended on 31.12.2021.
5. Arup and Birup are partners sharing profits and losses in the ratio of 3:2 respectively. Their Balance Sheet as on 31.12.2021 is as follows:

Balance Sheet as on 31.12.2021

| Liabilities | Amount (Rs.) | Assets | Amount (Rs.) |
|-----------------|-----------------|---------------------|-----------------|
| Creditors | 38,000 | Plant and Machinery | 60,000 |
| Reserve Fund | 12,000 | Building | 30,000 |
| Arup's Capital | 70,000 | Debtors | 40,000 |
| Birup's Capital | 40,000 | Bank | 5,000 |
| | | Stock | 25,000 |
| Total | 1,60,000 | Total | 1,60,000 |

They agree to admit Chirarup as a partner on the following terms:

- (i) That Chirarup was to bring Rs. 15,000 as a premium for goodwill for 1/5-th shares of the future profits of the firm.

- (ii) He was also required to contribute $\frac{1}{2}$ of the adjusted combined capitals of Arup and Birup as his capital.
- (iii) Stock in trade was to be revalued at Rs. 24,000.
- (iv) Plant and Machinery was to be revalued at Rs. 75,000.
- (v) Provision for doubtful debts is to be created @5% on Debtors.
- Prepare Revaluation A/C and Partners Capital A/C.

6. From the following particulars prepare a Branch A/C (with detail workings) in the books of Head Office assuming that the sales at branch are on cash basis:

| Particulars | Amount (Rs.) |
|----------------------------|--------------|
| Opening Stock at Branch | 30,000 |
| Goods sent to branch | 90,000 |
| Sales | 1,20,000 |
| Expenses at branch: Salary | 10,000 |
| Other expenses | 4,000 |

Closing stock could be ascertained but it is known that the branch usually sells at cost plus 20%. The branch manager is entitled to a commission of 5% on the net profit before charging such commission.

GROUP-B

Answer any *two* questions from the following

15×2 = 30

7. State how a Partnership Firm is dissolved. What is Piecemeal Distribution?
8. What are the differences between Partnership Business and Sole Ownership Business?
9. Discuss the mode of settlement of accounts after dissolution in Partnership Business.
10. On 1.1.2019 Tall Boy & Co. took delivery from Plains Vans Ltd. of 5 Motor vans on a Hire-Purchase System. Rs. 2,000 being paid on delivery and the balance in five instalments of Rs. 3,000 each, payable annually on 31st December. The vendor company charges 5% interest p.a. on yearly balances. The cash value of 5 Motor Vans was Rs. 15,000.
Show the Journal Entries in the Books of Tall Boy & Co. for all two years 2019 and 2020.
11. The following balances as 31. 12. 2021 have been extracted from the books of D & Co. which has two departments:

| Particulars | Department-A (Rs.) | Department-B (Rs.) |
|--------------------------------|--------------------|--------------------|
| Opening Stock as on 01.01.2020 | 35,000 | 30,000 |
| Purchases | 2,44,000 | 2,02,000 |
| Purchase Returns | 4,000 | 2,000 |
| Sales | 6,53,000 | 5,42,000 |
| Sales Return | 3,000 | 2,000 |
| Wages | 2,00,000 | 1,70,000 |
| Miscellaneous | 30,000 | 31,000 |

General Information: Sundry Debtors Rs. 1,90,000; Sundry Creditors Rs. 1,73,000; Plant and Machinery Rs. 2,40,000; Leasehold Rs. 80,000; Buildings Rs. 1,20,000; Furniture Rs. 48,000; Office & Selling Expenses Rs. 1,28,000; Cash Rs. 8,000 on 31.12.2021; Bank Rs. 1,10,000 on 31.12.2021; Capital Rs. 5,00,000.

Plant and Machinery is to be depreciated by 10%; Buildings by 2%; Furniture by 5%; Leaseholds are to be written-off by Rs. 8,000; The stock on 31.12.2021: Department–A Rs. 36,000 and Department–B Rs. 34,000. All unallocated expenditure is to be apportioned in the ratio of the net sales of each department.

Prepare in Columnar form, the Departmental Trading A/C, Profit and Loss A/C of the two departments and Balance Sheet of the combined business as a whole on 31.12.2021.

12. Good, Better and Best are partners of a firm sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as on 31.12.2021:

Balance Sheet as on 31.12.2021

| Liabilities | Amount (Rs.) | Assets | Amount (Rs.) |
|------------------------|---------------|--------------|---------------|
| Capital A/Cs: | | Building | 50,000 |
| Good | 36,000 | Machinery | 25,000 |
| Better | 24,000 | Furniture | 10,000 |
| Best | 12,000 | Stock | 5,000 |
| Reserve | 6,000 | Debtors | 5,000 |
| Creditors | 12,000 | Cash | 900 |
| Bills payable | 5,500 | | |
| Provision for bad debt | 400 | | |
| Total | 95,900 | Total | 95,900 |

On 1.1.2022 Good decided to retire on the following conditions:

- (i) Goodwill of the firm is to be valued at Rs. 12,000
- (ii) Furniture and Machinery are to be depreciated by 20% and 10% respectively
- (iii) Value of Stock and Building are to be appreciated by 10% and 20% respectively
- (iv) Provision on Debtors is to be maintained at Rs. 300
- (v) Better and Best will bring cash of Rs. 5,000 and Rs. 3,000 respectively to pay a part of dues to Good and the balance is to be transferred to his Loan Account.

Prepare Revaluation A/C, Partners Capital and Balance Sheet after Retirement.

N.B. : Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.

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