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**BCMCMC 159**

**Credit Based II Semester B.Com. Examination, September 2022  
(2018 – 19 and Earlier Batches)  
FINANCIAL ACCOUNTING – II**

Time : 3 Hours

Max. Marks : 120

**SECTION – A**

Answer **any four** questions.

**(4×6=24)**

1. Explain the different types of commission on consignment accounting.
2. Write a note on Interest Suspense Account.
3. On the 15<sup>th</sup> Jan. 2019 fire occurred in the premises of a company. From the following particulars ascertain the amount off claim to be lodged in case of stock which was insured  
Stock on 1<sup>st</sup> Jan. 2019 Rs. 2,00,000  
Purchases from 1<sup>st</sup> Jan. 2019 to the date of fire Rs.3,00,000  
Wages Rs. 1,00,000.  
Manufacturing expenses Rs. 60,000.  
Sales from 1<sup>st</sup> Jan. 2019 to the date of fire Rs. 4,80,000.  
The gross profit ratio is 25% on sales. The stocks salvage was value at Rs.19,500.
4. Amar purchased a machine from Akbar Machinery Ltd. On hire purchase system on 1-4-2015 payable Rs.10,000 down and the balance as under :  
Rs. 13,000 at the end of the first year  
Rs. 12,000 at the end of the second year  
Rs. 11,000 at the end of the third year  
Interest is charged at 10% p.a.  
Ascertain the cash price.

**P.T.O.**



5. On 1<sup>st</sup> January 2017, Rani drew a 2 months bill on Raja for Rs.1,000 and the later accepted the same. On the due date, the bill was dishonoured and noting charges Rs. 10 were paid. Pass Journal Entries in the books of both the parties.
6. From the following details, ascertain credit sales.

Opening Debtors Rs. 40,000

Cash received from Debtors Rs.3,60,000

Cheque received from Debtors Rs. 50,000

Bills Receivable received during the year Rs. 10,000

Cheque from debtors dishonoured Rs. 1,000

Bad Debts written off Rs. 5,000

Sales Return Rs. 4,000

Bills receivable dishonoured Rs. 1,000

Closing Debtors Rs. 48,000.

#### SECTION – B

Answer **any four** questions.

**(4×12=48)**

7. Write the differences between single entry system and double entry system.
8. On 15 may 2017 the Godown of A Ltd. was destroyed by fire. The records of the company revealed the following.

Stock on 1-1-2016 Rs. 76,500.

Stock on 31-12-2016 Rs. 81,900.

Purchase during 2016 Rs. 3,10,000.



Sales during 2016 Rs. 4,00,000.

Purchases from 1-1-2017 to the date of fire Rs. 75,000.

Sales from 1-1-2017 to the date of fire 1,00,000.

It was the practice of firm to value the stock at 10% less than cost price. Stock salvage was 6,000. The policy was for Rs. 50,000 and subject to average clause.

Calculate the claim for the loss of the stock.

9. From the following information find out the total sales.

Opening debtors	90,000
Opening Bills Receivables	29,000
Cash received from debtors	72,000
Bills Receivable encashed during the year	60,000
Bad debt written off	1,200
Return inwards	2,000
Return outwards	1,000
Bills receivable dishonoured	6,000
Cash sales	10,000
Closing debtors	27,200
Closing Bills Receivable	68,000



10. ABC Toys Ltd. consigned 1,000 toys to XYZ Toys at an cost of Rs. 150 each. ABC Toys Ltd. paid freight Rs. 10,000 and insurance Rs. 1,500. During the voyage 100 toys were totally damaged by fire and had to be thrown overboard. Twinkle Toys took delivery of the remaining toys and paid Rs. 14,400 as customs duty. Twinkle toys sent a bank draft to ABC Toys Ltd. for Rs. 50,000 as advance payment and later sent an account sales showing that 800 toys had been sold at Rs. 220 each. Expenses incurred by XYZ Toys on godown rent and advertisement etc. amounted to Rs. 2,000. XYZ Toys was entitled to a commission of 5 percent and settled his account.

Prepare Consignment Account, YYZ Toys Account and Abnormal Loss Account in the books of ABC Toys Ltd.

11. Prabhu purchased a motor car from Abharan Motors on 1-04-2013 on installment purchase system. The payment is to be made as follows ;

80,000 down payment

On 31-03-2014 Rs. 1,52,000

On 31-03-2015 Rs. 1,20,000

On 31-03-2016 Rs. 1,10,000

Interest at 10% p.a. is included in these installments. Prabhu charged depreciation on the motor car at 20% p.a. on the diminishing Balance.

Prepare the Motor Car Account.

12. On 1<sup>st</sup> January 2017, Khan drew two bills on Gupta for Rs. 15,000, one for Rs. 10,000 payable 2 months after date and the other for Rs. 5,000 payable 3 months after date. Khan discounted the 1<sup>st</sup> bill at 6% p.a. and endorsed the 2<sup>nd</sup> bill in favour of Mukarji. The 1<sup>st</sup> bill was duly met on maturity but second bill was dishonoured and Mukarji paid Rs. 100 as noting charges. Pass Journal Entries in the books of Khan, Gupta and Mukarji.



SECTION – C

Answer **any two** questions.

**(2×24=48)**

13. The Alarm Watch Co. Ltd., of Punjab dispatched 1,000 Wrist watches costing Rs. 900 each to their agents Mangalore Times Ltd. The pro-forma invoice to Mangalore Times Ltd., was Rs. 1,200 per watch and the commission was fixed at 6% on gross sale proceeds. The agents accepted a bill for Rs. 3,00,000 drawn on them as advance. The Alarm Watch Co. Ltd., incurred the following expenses on consignment :

Freight Rs. 8,000, Cartage Rs. 1,500 and insurance Rs. 2,500. In transit 100 watches were totally destroyed by fire and Rs. 45,000 were duly received by Alarm Watch Co. Ltd., from the insurer in full settlement. The consignor received an account sale from agents showing that 700 watches were sold for Rs. 9,80,000 and they paid customs duty Rs. 12,000, clearing charges Rs. 8,000, warehouse rent Rs. 5,000 and sales expenses Rs. 10,000. The agents remitted a draft for the balance.

Prepare Necessary Ledger Accounts in the books of Alarm Watch Co. Ltd., and Mangalore Times Ltd.

14. On 1-4-2015 Anil accepted a three months bill drawn by his creditor Ashok for Rs. 10,000. On the same date Ashok discounts the same at 5% p.a. Anil being unable to meet the bill at maturity, request Ashok to accept Rs. 4,000 in cash and to draw another bill for 3 months for the balance amount plus interest at 7% p.a. Ashok agrees. Before the 2<sup>nd</sup> bill matures, Anil become insolvent and is unable to pay any amount what so ever. Pass Journal Entries in the books of both the parties.



15. ABC Ltd. purchased from Tata Motors three trucks costing Rs. 5,00,000 each on hire purchase system. Payment was to be made Rs. 3,00,000 down and balance is paid in 3 equal annual installments together with interest at 18% p.a. ABC Ltd. write off depreciation at 20% on the diminishing Balances. They paid installment due at the end of the first year but could not pay the next. Tata Motors agrees to leave one truck with the purchaser, adjusting the value of other two trucks against the amount due. The trucks were valued on the basis of 30% depreciation annually on diminishing balances.

Prepare :

- 1) Truck A/c, Tata Motors A/c, Interest A/c and Depreciation A/c in the books of ABC Ltd.
- 2) ABC Ltd. and Repossessed Truck A/c in the books of Tata Motors.

16. Madhav does not maintain proper books of accounts. From the following information prepare Trading and Profit and Loss A/c for the year ended 31-03-2021 and a Balance Sheet as on that date.

	<b>31-03-2020</b>	<b>31-03-2021</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Debtors	9,000	12,500
Stock	4,900	6,600
Furniture	500	750
Creditors	3,000	2,250
<b>Analysis of other transactions are :</b>		<b>(Rs.)</b>
Cash collected from debtors		30,400
Cash paid to creditors		22,000



Salaries	6,000
Rent	750
Office expenses	900
Drawings	1,500
Fresh capital introduced 30-9-2020	1,000
Cash sales	750
Cash purchases	2,500
Discount received	350
Discount allowed	150
Returns inwards	500
Returns outwards	400
Bad debts	100

He had Rs. 2,500 cash in the beginning of the year. Charge interest on capital at 6% p.a.

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