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3005E418

Candidate's Seat No : _____

Integ LLB Sem.-2 Examination

ILBCom 109

Financial Accounting-II

May 2022

Time : 2-00 Hours]

[Max. Marks : 60

Instruction: Write Any Three Question.

Each question considers 20 marks.

Q.1 amit traders of Ahmedabad consigned 20 air condition sets on to mitesh brothers of Mumbai at an invoice price of Rs.25,000 each on 1-4-20. The invoice price is arrived at by adding 25% profit on cost price. Amit traders paid Rs.3000 for freight and insurance, while sending the goods. on 1-4-20 amit traders drew a bill Rs.3,00,000 for three months on mitesh brothers, which was immediately returned by the latter duly accepted. Amit traders discounted this bill in the bank on 4-5-2020, at the rate of 12% discount per annum.

mitesh brothers is entitled to get 5% general commission and 2% Del credere commission.

On 31-3-21 mitesh brothers sent an account sale and a bank draft for the amount due from him.

It was reported in the account sales that

- 1) He paid Rs.2000 for octroi, Rs.3000 for carriage and Rs.8750 for advertisement.
- 2) He sold 10 air conditioners set at Rs.26,000 each for cash.
- 3) He sold 4 air conditioners set at Rs.30,000 each to the garibdas on credit.
- 4) He purchased one air conditioner set for his personal use, at the invoice price.
- 5) garibdas was declared insolvent and only 80 paise in a rupee could be recovered from him as a final dividend.

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- 6) One air conditioner set was completely destroyed due to fire, which took place in his godown during the year and the insurance company admitted a claim of Rs.18,000.
- 7) Out of unsold air conditioner set, two T.V. set were damaged and repairing charges for the same are estimated at Rs.1600.

From the above particulars, prepare Consignment Account and mitesh brother's Account in the books of amit traders.

Q.2 Royal traders of dakor has an independent branch at thasra. The following is the trial balance of the branch as on 31/3/2020.

Debit balances	Rs.	Credit balances	Rs.
Opening stock of goods (1-4-2019)	1,10,000	Goods returned to head office	36,000
Goods received from head office	3,60,000	Head office account	4,70,000
11% tata capital ltd. Non-convertible debentures (Purchased on 1/10/2019 face value Rs.2,50,000)	2,40,000	Sales of goods	8,80,000
Purchases of goods	4,70,000	Purchase return	22,000
Sales return	32,000	Bad debts recovered	18,000
Freight and octroi	18,000	Creditors	80,000
Salaries & allowances (upto 29-2-2020)	66,000	Bank overdraft	64,000
Wages expenses	36,000		
Bad debts	4,000		
Debtor	1,20,000		
Cash balance	1,14,000		
	15,70,000		15,70,000

Additional information:

1. The closing stock as on 31st march, 2022 is valued at Rs.2,50,000.
2. On 22-3-2020, head office has sent goods worth Rs.40,000 to the branch, which were received by the branch on 5-4-2022.
3. On 28-3-2020, the branch has sent cash of Rs.35,600 to the head office, which was received by the head office on 3-4-2022.

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4. On 1-7-2019, head office has sent furniture worth Rs.42,000 to the branch, the account of which is maintained in the books of head office. Depreciation is to be provided @10% per annum on the same.
5. Unpaid salary amounted to Rs.6000 on 31-3-2020.

From above details prepare final accounts of the branch and head office account.

Q.3 (a) write difference between sales and consignment.

(b) write difference between sales and joint venture.

Q.4 Fire broke out in Raja's factory on 15-03-2021. stock except Rs.10,800 was destroyed by fire. Prepare statement of claim from the following information:

Particulars	2018	2019	2020	Upto 15-3-21
Purchases	3,25,200	3,36,000	3,87,000	1,68,000
Sales	4,80,000	4,50,000	5,40,000	1,80,000
Wages	72,000	30,000	39,000	18,000
Depreciation	24,000	24,000	21,000	6,000
Opening stock	1,65,000	1,32,000	99,000	33,000

Q.5 XY company ltd. was formed on 1/1/2021 with authorized share capital of Rs.10,00,000 divided into 40,000 10% cumulative preference shares of Rs.10 each and 60,000 equity shares of Rs.10 each to acquire the going concern of Z ltd. the balance sheet of the firm was as under on that day:

Liabilities	Rs.	assets	Rs.
Capital:		Land and building	1,00,000
X ltd. 3,00,000		Plant and machinery	1,40,000
Y ltd. 2,00,000	5,00,000	Furniture	20,000
Reserve fund	60,000	Patents	60,000
Creditors	40,000	Stock	1,60,000
		Debtors 1,00,000	
		Less: BDR 2,000	98,000
		Cash and bank balance	22,000
	6,00,000		6,00,000

The company agreed to pay the purchase price in 40,000 equity shares of Rs.10 each fully paid and 24,000 preference shares of Rs.10 each. The balance of both kind of shares was issued to the public and paid for by them with the exception of 2000 shares on which Rs.3 per share was not paid.

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Give journal entries to record the above transactions and prepare the balance sheet of the company.

Q.6 (a) on the basis of the following particulars the amount of loss of the profit:

1. A fire occurred on 31/12/2021.
2. Business was interrupted upto 30/4/2022.
3. Insurance policy was Rs. 80,000.
4. Indemnity period is 6 months.
5. Net profit for the year ended 30/9/2021(after debiting Rs.16,000 as standing charges) was Rs.50,000 while the turnover that period was Rs.3,30,000.
6. Turnover for the year ended 31st December , 2021 was Rs.3,20,000.
7. Sales during 31st December to 30th April in the preceding year are Rs.1,30,000 as against turnover of Rs.80,000 during interrupted period

(b) explain loss of profit policy.
