

Seat No. : _____

SC-119

September-2020

Integrated B.Com, Sem.-II

IL B.Com. 109 : Financial Accounting-II

Time : 2 Hours]

[Max. Marks : 60

- Instructions :** (1) All questions carry equal marks.
(2) Answer any **three** questions from the following.

1. On 1st July, 2019 Shyamal of Surat consigned 800 bath-geysers to his agent of Amal of Ahmedabad at cost price of ₹ 1,200 each. The invoice price was fixed after adding 25% profit on invoice price. Shyamal paid ₹ 12,000 for insurance, ₹ 24,000 for carriage and ₹ 9,600 for freight, while sending the goods. **20**

On 1-7-19 Shyamal drew bill for 2,40,000 for three month on Amal which was immediately returned by the later duly accepted. Shyamal discounted the bill in a bank on 4-8-19 at the rate of 18% discount per annum.

Amal is entitled to get general commission at the rate 4% and del-credere commission at the rate of 2% on sales. In addition to that he is also entitled to the 20% of the profit, after debiting this share in profit, as his share of profit.

On 31st Dec., 2019 Amal sent an account sale and a bank draft for the amount due from him.

According to account sale, he reported that :

- (1) He paid ₹ 6,000 for octroi, ₹ 18,000 for insurance premium and ₹ 22,360 for advertisement.
- (2) He sold 160 bath-geysers at ₹ 1,800 each for cash.
- (3) He sold 480 bath-geysers at ₹ 2,000 each to the Mohan on credit.
- (4) He sold 80 bath-geysers at ₹ 1,900 each to Keshav on recommendation of Shyamal.
- (5) During this year, fire took place in godown and 16 bath-geysers were destroyed and insurance co. accepted the claim of ₹ 15,160.
- (6) Mohan was unable to pay ₹ 60,000 out of his dues, and the amount was written off as bad-debts.

- (7) Keshav was declared insolvent and only 60 paise in a rupee could be recovered from him as a final dividend.
- (8) Out of unsold bath-geysers, two were damaged and repairing charges for the same are estimated at ₹ 1,800.

From the above particulars, prepare Consignment Account and Amal's Account in the books of Shyamal.

2. (a) Kamchor and Pramadilal enter into a joint venture as dealer in land. They agreed to share profit and loss in the ratio of 4:1. They deposited ₹ 2,50,000 and ₹ 3,50,000 respectively in their joint bank account. 12

They purchased a plot of land measuring 5000 sq. metre at a cost ₹ 105 per sq. metre.

They paid following expenses from joint bank account :

Registration charges	₹ 22,000
Stamp duty	₹ 15,000
Legal adviser's fee	₹ 2,500
Miscellaneous expenditure	₹ 4,250
Brokerage	₹ 12,000

They prepared a plan for selling the plot of land. In the said plan 20% of the land left over for public roads and 10% of the land left over for public park and remaining land was divided into 25 plots of equal size.

15 plots were sold by Kamchor for ₹ 300 per sq. metre and remaining plots were sold by Paramadilal for ₹ 325 per sq. metre. Both are entitled for 5% commission on sales.

Prepare :

- (1) Joint Venture Account
 - (2) Joint Bank Account
 - (3) Capital Accounts
- (b) Distinguish between consignment and sale. 8

3. Mehul & Bros. has branch at Banipur. All goods required for sale at Banipur are sent from head office at cost plus 20% (invoice price) and all cash received at the branch is banked daily in H.O.'s account opened in bank at Banipur.

From the following particulars prepare in the books of H.O. :

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- (1) Branch Account
- (2) Branch Trading and Profit Loss Account
- (3) Branch Debtor's Account
- (4) Petty Cash Account

Particulars	1-4-2018	31-3-2019
Stock	18,000	14,400
Debtors	24,000	27,000
Furniture	28,000	?
Petty cash	240	?
Goods sent to branch		55,800
Cash sales		4,000
Petty expenses by branch		560
Total sale		91,000
Goods returned by debtors		600
Goods returned by branch		2,400
Discount allowed to debtors		1,000
Bad debts written off		400
Remittance to branch for petty cash		720

Expenses paid by H.O. on behalf of branch :

Salaries and wages	4,000
Rent and Rates	3,200
Other Expenses	1,100

Furniture to be depreciated by 10%.

4. (a) What is meant by branch ? What are the main objects of keeping branch account ? **12**
 (b) Distinguish between sale by consignment and branch. **8**

5. Fire broke out in Rima's factory on 31-01-2019 and totally destroyed the stock. Prepare statement of claim from the following information : 20

Particulars	2008	2009	2010	Upto 31-1-19
Purchases	1,73,440	1,79,200	2,06,400	89,600
Sales	2,56,000	2,40,000	2,88,000	96,000
Wages	38,400	16,000	20,800	9,600
Depreciation	12,800	12,800	11,200	3,200
Opening stock	88,000	70,400	52,800	17,000

Stock is valued 10% more.

6. The following is a balance sheet of Love & Khush Brothers on 31/3/2019 : 20

Liability	Amt.	Assets	Amt.
Capital :		Building	3,96,000
Love 3,30,000		Machinery	2,64,000
Khush <u>2,42,000</u>	5,72,000	Investment	66,000
		(market price is 88,000)	
Employee profit sharing fund	22,000	Stock	2,42,000
Workmen compensation fund	33,000	Debtor 1,87,000	
Bank loan	4,40,000	– bad debts 11,000	
Creditors	55,000	– bad debts reserve <u>22,000</u>	1,54,000
Bills payable	22,000	Prepaid expenses	5,500
		Cash	16,500
	11,44,000		11,44,000

On 1-4-2020 the new company will be incorporated Ram Ltd.. Ram Ltd. take over the business in following condition :

- (1) In books value of building is less 10% compare to market value.
- (2) In books value of stock is 10% more compare to market value.
- (3) Calculate 10% bad debts reserve on debtors.
- (4) In from of purchase consideration Ram Ltd.-given 4400 equity share of ₹ 120 each & cash ₹ 1,03,600.
- (5) Authorized share capital is 1100 of ₹ 100 each.
- (6) Remaining shares issue to the public at a ₹ 120. [face value is 80]

Pass journal entries and prepare balance sheet in books of Ram Ltd.