

**FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2022 ONLY)**

22 UBP 203

REG.NO

NGM COLLEGE (AUTONOMOUS) POLLACHI

END-OF-SEMESTER EXAMINATIONS: MAY-2023

B.COM-BUSINESS PROCESS SERVICES

MAXIMUM MARKS: 50

II SEMESTER

TIME: 3 HOURS

PART –III

HIGHER FINANCIAL ACCOUNTING

SECTION - A (10 x1=10Marks)

ANSWER ALL QUESTIONS

- 1 . A partner acts as _____ for a firm.
 - a. An agent
 - b. a third party
 - c. an employee
 - d. none of these
2. Joint life policy account is _____.
 - a. A nominal account
 - b. A personal account
 - c. An asset account
 - d. None of the above
3. On the insolvency of all partners of a firm ,the loss should be borne by _____.
 - a. all partners in their capital ratio
 - b. all partners in their profit sharing ratio
 - c. the creditors
 - d. none of tese.
4. The objective of Branch accounting is to know _____.
 - a. P & L of each branch
 - b. P & L of each H.O.
 - c. P & L of branch and H.O
 - d. None of these.
5. Hire purchase price includes _____.
 - a. Cash price with interest
 - b. Cash price with down payment
 - c. Down payment with interest
 - d. none of these

SHORT ANSWER:

6. Explain the term Partnership
7. Expand the meaning of Dissolution.
8. Explain the term Piece Meal Distribution.
9. Indicate various types of Branches.
10. Explain any two features of Hire Purchase.

(CONTD...2)

SECTION – B**(5X 3=15 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Examine the contents of Partnership deed
(OR)

b) A and B are partners in a firm. They share profits and losses in the ratio of 3:1. Their Balance Sheet is as follows:

LIABILITES	Rs.	ASSETS	Rs.
Capital A	80,000	Buildings	1,00,000
B	40,000	Plant	25,000
Reserves	40,000	stock	40,000
Creditors	60,000	Debtors	70,000
Bills payable	20,000	Cash	5,000
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	2,40,000		2,40,000

C is admitted into partnership for $\frac{1}{5}^{\text{th}}$ share of the business on the following terms: (i)Buildings is revalued at Rs.1,20,000 ;Plant is depreciated to 80%;Provision for bad debts is made at 5%;Stock is revalued at Rs.30,000;C should introduce 50% of the adjusted capitals of both A and B. Compute the profit or loss on **Revaluation account**.

12.a. Describe the modes of Payment of the Deceased Partner
(OR)

b) P, Q and R share profits in the proportion of $\frac{1}{2}$, $\frac{1}{4}$, and $\frac{1}{4}$. On the date of dissolution their balance sheet was as follows:

LIABILITES	Rs	ASSETS	Rs
Creditors	14,000	Sundry Assets	40,000
P's Capital	10,000		
Q's Capital	10,000		
R's Capital	6,000		
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	40,000		40,000

The assets realized Rs 35,500. Creditors were paid in full. Realisation expenses amounted to Rs 1,500. Show and **Close the books of the firm**.

13.a. The partnership between Srini and Balaji was dissolved on 31st march, 2012. On that date the respective credits to the capitals were; Srini Rs. 50,000 and balaji Rs. 30,000, Rs. 10,000 were owed by balaji; Rs.20,000 were owned by the firm to srini and Rs. 15,000 were due to trade creditors.

(CONTD...3)

The assets represented by the above –stated net liabilities realized Rs. 90,000 exclusive of Rs. 10,000 owed by Balaji. Trade creditors will be settled at book figure. In addition, one bill for Rs. 1,000 under discount were dishonoured and had to be taken up by the firm. The expenses of realization came to Rs. 1,200.

Examine the Memorandum Balance Sheet

(OR)

13.b. Expand the term Proportionate capital method

14.a) Explain the term Branch accounting,

(OR)

b) The following information relates to Madurai branch.

		Rs
Stock on 01.01.1994		11,200
Branch debtors on 1.1.94		6,300
Goods sent to branch		51,000
Cash sent to branch for:-		
Rent	1,500	
Salaries	3,000	
Petty cash	500	
Sales at branch:		
Cash	25,000	
Credit	39,000	

Cash received from Debtors Rs 41,200. Stock on 31.12.1994

Rs 13,600. **Compute the Branch account for the year 1994 .**

15.a) Show the features of Hire Purchase..

(OR)

b) On 1-1-1990 X bought some tracks under HP system for Rs 51,000 payable by three equal installments combining principal and interest , the later being a normal rate of 5 % per annum.

Discover the Cash price . (the Present value of an annuity one rupee for three years at 5% is Rs 2.72325)

SECTION – C

(5 X 5 = 25 MARKS)

ANSWER EITHER (A) OR (B) IN EACH OF THE FOLLOWING QUESTIONS.

(K4 (OR) K5)

16.a. A and B share profits in the proportions of $\frac{3}{4}^{\text{th}}$ and $\frac{1}{4}^{\text{th}}$. Their Balance sheet on December 31, 2011 was as follows:

	Rs.		Rs.
Sundry creditors	41,500	Cash at bank	22,500
Capital accounts:		Bills Receivable	3,000
A	30,000	Debtors	16,000
B	16,000	Stock	20,000
		Land & buildings	25,000
		Fixtures	1,000
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	87,500		87,500
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(CONTD...4)

(4) (22UBP203)

On 1st January 2012, C was admitted into partnership on the following terms:

- (1) That C pays Rs. 10,000 as his capital for a fifth share
- (2) That stock and fixtures be reduced by 10% and 5% provision for doubtful debts be created on sundry debtors.
- (3) That the value of land and buildings be appreciated by 20 per cent.
- (4) That a liability for Rs. 500 be created against the bills discounted.
- (5) That the values of liabilities and assets other than cash are not to be altered.

Prepare Memorandum Revaluation Account, Capital Accounts and the opening Balance Sheet of the firm as newly constituted.

(OR)

b) Point out the Differences between the sacrificing ratio and the gaining ratio.

17.a. A, B and C are in partnership sharing profits and losses equally. They take out a joint life policy for Rs. 30,000 on 1.1.2005 and pay an annual premium of Rs. 3,000. The books of account are closed on 31st December every year. C died on 1.1.2007. the firm realized the policy amount the next day. Show the necessary journal entries.

(OR)

17.b. The following was the balance sheet of Radha, Krishna and Sankar as on 31.12.2003.

Liabilities	Rs.	Assets	Rs.
Creditors	12,000	Machinery	25,000
General Reserve	3,000	Stock	11,000
Capital : Radha	20,000	Debtors	9,500
Krishna	15,000	Goodwill	13,000
Sankar	10,000	Cash	1,500
	60,000		60,000

On the above date the firm was dissolved. The assets realized Rs. 50,000. The creditors were settled at Rs. 11,500. Dissolution expenses amounted to Rs. 1,000. The partners had 3;2:1 as their profit sharing ratio.

Give the necessary journal entries.

18.a) A and B are in equal Partnership. Their Balance sheet stood as follows:

LIABILITES	Rs.	ASSETS	Rs.
Capital A:	600	Plant	1,475
Sundry creditors	3,900	Furniture	400
		Stock	625
		Debtors	500
		Bank	300
		B's capital	1,200
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	4,500		4,500

(CONTD...5)

The assets are realized as follows:

Stock Rs.350,Furniture Rs 200,Debtors Rs 500 and plant Rs 700. The cost of collecting & distributing the estate amounted to Rs 150.

A's private estate is not sufficient even to pay his private liabilities, where as in B's private estate, there is a surplus of Rs. 50.

You are required to Close the books of the firm.

(OR)

b) Discuss the rules laid down in **Garner Vs Murray Case**.

19. a) Jain Bros had a branch at Calcutta . Goods are invoiced to the branch At cost plus 25 % . Branch is instructed to deposit cash everyday in H.O a/c in the bank . All expenses paid by the branch manager . From the following particulars, Stock on 1.1.2002 Rs 2,500 ; Furniture purchased by branch manager 1,200;Stock on 31.12.2002 Rs 3,000 ; Goods invoiced from the H.O 18,200; S.Drs Ist January 2002 Rs 1,400 ; S.Drs 31st December 2002 Rs 1,800 ; Expenses paid by H.O Rs 1,640 ; Cash sales Rs 10,800; Credit sales Rs 7000;Expenses paid by branch Rs 120; H.O sent cash to purchase safe for the branch Rs 1,300; Cash remitted to the H .O Rs 15,000 . **Prepare branch a/c in the books of H.O .** (OR)

19.b) The following Purchases were by a business house having three departments.

Dept A - 1000 units

Dept B - 2000 units At total cost Rs 1,00,000

Dept C - 2400 units

Stocks on Ist January were :

Dept A - 120 units

Dept B - 80 units

Dept C - 152 units

Sales were : Dept A - 1020 units at Rs 20 each

Dept B - 1920 units at Rs 22.50 each

Dept C - 2496 units at Rs 25 each

The rate of gross profit is same in each case .

Prepare Departmental trading account.

20. a) Examine the various types of Repossession .

(OR)

b) Vijaya purchased a truck for Rs 1,60,000 from Saravanan on 1.1.1993 payment to be made Rs 40,000 down and Rs 46,000 at the end of first year Rs 44,000 at the end of second year and Rs 42,000 at the end of third year. Interest was charged at 5 % . Vijaya depreciates the truck at 10% per annum on written down value method. Vijaya after having paid down payment and first installment at the end of the first year, could not pay second instalment. The seller took possession of the truck, and after spending Rs 4,000 on repairs of the asset, sold it away for Rs 91,500.**Show the journal entries in the books of Vijaya.**
