

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2025 ONLY)

25UCF203

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : April - 2026
B.Com.- FINANCE **MAXIMUM MARKS: 75**
SEMESTER: II **TIME : 3 HOURS**

PART - III
FINANCIAL ACCOUNTING-II

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Goodwill is _____.
a) a tangible asset b) an intangible asset c) a fictitious asset d) a hidden asset
2. The amount of general reserve is transferred to Partners' Capital Accounts in: _____.
a) New profit sharing ratio b) Capital ratio c) old profit Sharing ratio d) Equal Share
3. On dissolution of a firm, realisation account is debited with _____.
a) All assets to be realized b) All outside liabilities of the firm
c) Cash received on sale of assets d) any asset taken over by one of the partners
4. Under which section of the Indian Partnership Act, 1932 is the insolvency of a partner specifically provided?
a) Section 30 b) Section 34 c) Section 42 d) Section 44
5. Sales are the basis of apportionment in the case of _____.
a) Travelling Salesman's commission b) Freight outwards
c) after sales service d) All of the above.

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

(K2)

6. What is Partnership Deed?
7. What is Joint Life Policy?
8. What is Realisation Account?
9. Who is an Insolvent Partner?
10. What is Stock Reserve?

SECTION – B

(5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)

11. a) What do you understand by Fluctuating Capitals?

(OR)

- b) A firm earned net profits during the last three years as follows:

	Rs.
I Year	36,000
II Year	40,000
III Year	44,000

The capital investment of the firm is Rs.1,20,000. A fair return on the capital having regard to the risk involved is 10%. Calculate the value of goodwill on the basis of 3 years purchase of super profits.

12. a) A, B and C are partners sharing in the ratio of 9:7:4. B retires from the firm. The amount due to B on retirement was calculated to be Rs.70,000. Calculate new and gaining ratios if:
 - i) A contributes Rs.40,000 and C Rs.30,000 to take B's Share.
 - ii) A Pays Rs.20,000 and C Rs.50,000 to clear B's dues.

(OR)

(CONTD.....2)

12 b) How do you treat goodwill when a partner retires?

13.a) What do you understand by Garner Vs Murray Rule?

(OR)

b) A Partnership firm has three partners A, B, C with capitals as A Rs.40,000; B Rs.20,000; and C Rs.20,000. The partners share profits and losses in the ratio of 3:2:1. You are required to calculate absolute surplus capital under proportionate capital method of piecemeal distribution.

14.a) Explain the meaning of Proportionate Capitals.

(OR)

b) X, Y and Z are partners sharing profits & losses in the ratio of 2:2:1 respectively. Y is insolvent and his estate is unable to contribute anything. You are required to pass two journal entries as per Garner Vs Murray rule from the following information: Realization loss Rs.1,20,000; Deficiency in Y's Capital A/c Rs.22,000; Capital Ratio of X and Y 73:25.

15. a) Goods are transferred from Dept. A to Dept. B at selling price. Usually stocks of Dept. B consist of 75% of goods received from Dept. A and balance 25% other expenses. From the following particulars compute the profit included in the stocks of Dept. B:

Gross profit Ratio of Dept. A: 20% on Sales; Opening stock of Dept. B: Rs.40,000; Closing stock of Dept. B Rs.90,000.

(OR)

b) Compute opening branch debtors balance from the following transactions:

Credit sales Rs.51,000; Received from Debtors by the branch Rs.42,500; Branch Debtors (closing) Rs. 7,700; Discount allowed to customers by branch Rs.1,800.

SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K4 (Or) K5)

16. a) A and B are partners sharing profits in the ratio of 3:2 'C' is admitted and new profits sharing ratio is 2:2:1; C brings in cash Rs.8,000 for capital and Rs.2,000 for goodwill. The Balance Sheet of A and B is follows:

Liabilities	Rs.	Assets	Rs.
Capitals:		Goodwill	2,500
A	8,000	Assets	17,500
B	8,000		
Reserve	4,000		
	20,000		20,000

Give journal entries and prepare balance sheet of the new firm.

(OR)

b) Raman and Laxman were partners sharing profits and losses in the ratio of 4:3. In view of Velan's admission, they decided to revalue the assets and liabilities as indicated below:

i) To increase the value of buildings by Rs.60,000;

ii) Provision for doubtful debts to be decreased by Rs.800

iii) To decrease machinery by Rs.16,000; Furniture by Rs.4,000 and Stock by Rs.12,000

iv) A provision for outstanding liabilities to be created at Rs.800. Show the revaluation account.

17. a) Anbu, Bhajan and Chandran were in partnership, sharing profits and losses equally. On 1.1.2021, Anbu retired when the firm's balance sheet was as under:

Liabilities	Rs.	Assets	Rs.
Capital A/c		Land & Buildings	4,200
Anbu	8,000	Plant & Machinery	6,980
Bhajan	6,800	Debtors	8,915
Chandran	7,800	Investments	8,000
Creditors	6,928	Cash	1,433
	29,528		29,528

(CONTD.....3)

According to the partnership deed, assets were agreed to be revalued on Anbu's retirement as under: Land & Buildings Rs.5,800; Plant & Machinery Rs.6,564; Investments Rs.8,400; Goodwill was then revalued at Rs.9,600. Pass necessary journal entries. Prepare revaluation a/c and Balance Sheet.

(OR)

- b) Bim, Gim and Nim are partners sharing profits in the ratio of 2:3:5. Goodwill appears in their books at a value of Rs.60,000. Bim retires and on the day of Bim's retirement goodwill is valued at Rs.30,000. Gim and Nim decided to share the future profits equally. Pass the necessary journal entries for goodwill.

18. a) P, Q and R share profits in proportion of 1/2, 1/4 and 1/4. On the date of dissolution their Balance Sheet was as follows:

Liabilities	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		
	40,000		40,000

The assets realised Rs.35,500. Creditors were paid in full. Realisation expenses amounted to Rs.1,500. Close the books of them.

(OR)

- b) Describe the different modes or ways in which a partnership firm may be dissolved.
- 19.a) Who can be a partner in an LLP? What are the compliances under the LLP Act for appointment of a partner?

(OR)

- b) Following is the Balance sheet of M/S A, B and C who share profits and losses in the ratio of 2:2:1.

Liabilities	Rs.	Assets	Rs.
Creditors	30,000	Cash	4,000
Capitals:		Debtors	44,000
A	30,000	Stock	44,000
B	24,000		
C	8,000		
	92,000		92,000

The firm was dissolved and that assets were realized gradually. Rs.20,000 was received first. Rs.30,000 was received next and Rs.18,000 finally. Show how distribution of cash is made.

- 20.a) Mehta Ram of Ram Nagar purchased goods for his three departments as follows:

Dept X - 200 units; Dept. Y - 1,400 units; Z - 400 units; Total cost Rs.5,100

Sales of the three departments were as follows:

Dept. X - 180 units @ Rs.15 per unit; Dept. Y - 1,500 @ Rs.18 per unit; Dept. Z - 450 units @ Rs.6 per unit. Other information about stock in the beginning was as follows:

Dept. X - 100 units; Dept. Y - 400 units; Dept. Z - 60 units.

Mehta Ram informs you that the rate of gross profit is the same in all departments, you are required to prepare departmental Trading a/c.

(OR)

- b) Goods Luck Ltd., opened a branch on 1.1.2015 at Chennai, The following information is supplied to you. Prepare Branch a/c.

Goods sent to Branch Rs.50,000

Sales: (Cash Rs.20,000 and Credit Rs.36,000) Rs.56,000

Cash received from debtors Rs.32,000

Discount allowed to them Rs.600

Cash sent to branch for expenses Rs.7,000

Stock on 31.12.2015 Rs.8,000

Debtors on 31.12.2015 Rs.3,400.