KAMARAJ COLLEGE (Autonomous)

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THOOTHUKUDI – 628 003

(11 Pages) **Reg. No: ……………………………………………**

Question. Code No : 25E00401 **Sub Code : 24UMCO21/24UMBE21/24UMBF21/24UMCR21**

UG Degree - End Semester Examinations, April 2025

Second Semester

B. COM

Major - Financial Accounting II

(For those who joined in July 2024 onwards)

Time : 3 Hours **Maximum : 75 Marks**

PART – A (10 × 1 = 10 Marks)

Answer ALL Questions

Choose the correct answer :

1. The difference between the hire purchase price and cash price is

(a) Down payment (b) Interest

(c) Advance payment (d) Principal

2. Under hire purchase system the initial payment is known as

(a) First instalment (b) Down payment

(c) Purchase price (d) Hire charges

3. ______ is apportioned on the basis of value of assets.

(a) Profit (b) Depreciation

(c) Purchases (d) Insurance

4. Branch account under debtors system is a

(a) Real a/c (b) Nominal a/c

(c) Personal a/c (d) Representative Personal a/c

5. The minimum number of persons in a partnership firm is

(a) One (b) Two

(c) Seven (d) Ten

6. Goodwill is

(a) Tangible Asset (b) Intangible Asset

(c) Fictitious Asset (d) Current Asset

7. The deficiency of the insolvent partners is shared by old partners under _____ ratio.

(a) Capital (b) Old

(c) New (d) Sacrificing

8. Realisation account is a

(a) Nominal a/c (b) Personal a/c

(c) Real a/c (d) Liability a/c

9. As per Ind AS 113, an orderly transaction is:

(a) A sale in current market condition (b) Distress sale

(c) Sale due to liquidation (d) All of the above

10. IFRS stands for

(a) International Financial Reporting Standards

(b) International Financial Reporting Statements

(c) Indian Financial Reporting Standards

(d) Indian Financial Reporting Statements

PART – B (5X5=25 Marks)

Answer ALL Questions choosing either (a) or (b).
Answer should not exceed 250 words.

11. (a) List out the important terms used in hire purchase system.

(OR)

(b) Purchase a motor truck on hire purchase system paying Rs. 40000 annually for 3 years. The rate of interest charged by the hire vendor is 6% p.a. Given the present value of annuity of Re. 1 for three years at 5% is Rs. 2.72325. Calculate the cash price.

12. (a) From the following details, prepare departmental trading account.

	Dept A (Rs.)	Dept B (Rs.)
Opening stock	9,000	8,400
Total purchases	27,000	21,600
Total sales	42,000	36,000
Closing stock	10,800	4,800
Credit purchases	17,000	10,600
Credit sales	5,000	6,000

(OR)

(b) Delhi Traders opened a branch at Meerut on 1st January 2006. From the following figures, prepare Meerut Branch account for the year 2006.

	Rs.
Goods sent to branch	20,600
Cash sales	10,000
Cash sent to the branch for:	
Rent	1,200
Salaries	3,000
Other expenses	1,200
Credit sales	24,000
Cash received from Debtors	20,000
Stock (31.12.2006)	2,300
Petty cash (31.12.2006)	40

13. (a) A and B were partners sharing profits in the ratio of 5:4. They admitted 'C' into the partnership for 5/18 share. Sacrificing share of A is 3/18 and B is 2/18. What would be their new profit sharing ratio.

(OR)

(b) A, B and C sharing profits in the ratio of 5:3:2. C retires. Find the new ratio and gaining ratio.

14. (a) Write the format of a realization account in case of dissolution of a firm.

(OR)

(b) Write down the steps followed under insolvency of all the partners.

15. (a) What are the uses of financial statements?

(OR)

(b) Write short notes on Ind AS.

PART – C (5 X 8 = 40 Marks)

Answer ALL Questions choosing either (a) or (b).
Answer should not exceed 500 words.

16. (a) On 1st January 2000, X purchased a machine from ABC Ltd. on hire purchase system basis. The particulars are as follows:

1. Cash price Rs. 10,000
2. Rs. 4,000 to be paid on signing the contract
3. Balance in three instalments of Rs. 2000 plus interest
4. Interest charged on outstanding balance at 5%
5. Depreciation at 10% p.a. on written down value method

Prepare ABC Ltd account in the books of purchaser.

(OR)

(b) On 1st April 2011 Goodworth & Co. purchased a machine from Vishal Industries on hire purchase basis. The cash price of the machine was Rs. 25,000. The payment was to be made Rs. 5,000 on the date of contract and the balance in 4 instalments of Rs. 5,000 plus interest 5 % per annum payable on 31st December each year and the first instalment being payable on 31.12.2011. Ascertain the interest payable with each instalment.

17. (a) Royal Shoe Company opened a branch at Chennai on 1.1.2002. From the following particulars calculate the Chennai Branch account for the year 2002 and 2003.

	2002 (Rs.)	2003 (Rs.)
Goods sent to Chennai Branch	15,000	45,000
Cash sent to branch for:		
Rent	1,800	1,800
Salaries	3,000	5,000
Other expenses	1,200	1,600
Cash received from the branch	24,000	60,000

Stock on 31st December	2,300	5,800
Petty cash in hand on 31st December	40	30

(OR)

(b) The following purchases were made by a firm having three departments.

Dept A – 200 units

Dept B – 1400 units At a total cost of Rs. 5100

Dept C – 400 units

Stock on 1st January were:

Dept A – 100 units

Dept B – 400 units

Dept C – 60 units

Sales were:

Dept A – 180 units at Rs.15 each

Dept B – 1500 units at Rs. 18 each

Dept C – 450 units at Rs. 6 each

The rate of gross profit is same in each case. Prepare departmental trading account.

18. (a) Raman and Kannan started business with a capital of Rs. 50,000 and Rs. 30,000 on 1.4.2000. Raman is entitled to a monthly salary of Rs. 800 and they are eligible for interest on capital at 6%. They agreed to share the remaining profit in the ratio of 3:2. In the current year, they have earned a profit of Rs. 30,000. Prepare profit and loss appropriation account for the year ended 31.3.2001.

(OR)

(b) Show how the following items will appear in the books of Preethi and Praveen when their capitals are

a) Fluctuating b) Fixed

	Preethi (Rs.)	Praveen (Rs.)
Capital as on 1.1.2007	75,000	50,000
Drawings during 2007	10,000	10,000
Interest on drawings	900	1,000
Share of Profit	5,000	4,000
Salary	3,000	------
Interest on capital	6%	6%

19. (a) A, B and C are partners sharing profits or losses in the ratio of 4:3:2. Their Balance sheet on 31.12.2006 stood as follows:

Liabilities	Rs.	Assets	Rs.
Capital accounts:		Land & Buildings	5,500
A – 4,000		Stock	2,000
B – 2,000		Debtors	1,000
C - 500	6,500	Cash	1,500
Creditors	3,500		
	10,000		10,000

They agree to dissolve partnership as from 31.12.2006. A agrees to take the stock at a valuation of Rs. 1,500 and B agrees to take the debtors at Rs. 700. The land and buildings are sold at auction for Rs. 2,700. Close the books of the firm.

(OR)

(b) A, B and C were equal partners on 31.12.2003. Their position was as follows:

Liabilities	Rs.	Assets	Rs.
Capital a/c		Cash	1,500
A - 2000		C's capital	200
B - 600	2,600	Loss on realisation	900
	2,600		2,600

C is insolvent and can pay nothing. Close the books of the firm.

20. (a) Explain the role of accounting standards.

(OR)

(b) Explain about IFRS.