

Reg. No. :

Code No. : 12038 E Sub. Code : CMCO 21

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2025.

Second Semester

Commerce — Core

FINANCIAL ACCOUNTING – II

(For those who joined in July 2021 & 2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. Proforma invoice is prepared and sent by
 - (a) Consignor
 - (b) Consignee
 - (c) Accountant
 - (d) Banker

2. When goods are sent on consignment, debit is given to
(a) Consignment account
(b) Sales account
(c) Consignee account
(d) Goods account
3. Joint venture with 'B' is an example of
(a) Personal account (b) Nominal account
(c) Real account (d) Capital account
4. Joint Bank is a _____ account.
(a) Personal (b) Real
(c) Nominal (d) None
5. Expenses are entered in _____ side.
(a) Debit (b) Credit
(c) Liability (d) None
6. Sale of old newspaper is to be shown on the _____ side of the income and expenditure a/c.
(a) Surplus (b) Deficit
(c) Liability (d) None

7. Hire Purchase Act was enacted in the year
(a) 1970 (b) 1971
(c) 1972 (d) None
8. In case of installment system, total interest receivable by the seller is credited to _____.
(a) Interest suspense
(b) Interest a/c
(c) Sales a/c
(d) None
9. Royalty account is a _____ account.
(a) Personal (b) Real
(c) Nominal (d) None
10. Deficiency is shown under the
(a) List - E
(b) List - F
(c) List - G
(d) List - H

PART B — (5 × 5 = 25 marks)

Answer ALL questions by choosing (a) or (b).

Each answer should not exceed 250 words.

11. (a) Discuss the features of consignment.

Or

- (b) Siva consigned 1000 kg vegetables costing Rs. 45,000. Expenses incurred were Rs. 600. If loss due to natural deterioration in quality is of 10 kg and if 810 kg were sold. Calculate the cost of stock at the end.

12. (a) Differentiate joint venture from partnership.

Or

- (b) Sathish and Saravanan undertook jointly to construct a building for a contract price of Rs. 3,00,000. A joint bank account was opened by them in their joint names in which Sathish paid Rs. 1,00,000 and Saravanan Rs. 50,000. Profit and Loss is to be distributed in the ratio of 2:1. The details of transactions are given below:

	Rs.
Wages	80,000
Materials purchased	1,60,000
Materials supplied by Sathish	10,000
Architect fees paid by Sathish	4,000
Materials supplied by Saravanan	8,000

After the completion of contract, the price was duly received. There was unused materials valued Rs. 10,000 and this was taken by Sathish. Prepare Joint venture a/c, Joint Bank a/c, Sathish and Saravanan a/c.

13. (a) From the following details relating to subscriptions of Coimbatore sports club, calculate the subscriptions income for the year ending 31st Dec. 2000

	Rs.
Subscription received as per receipts and payments accounts for the year ending 31.12.2000	10,000
Subscription outstanding as on 31.12.1999	2,000
Subscription outstanding as on 31.12.2000	4,000

	Rs.
Subscription received in advance as on 31.12.1999	3,000
Subscription received in advance as on 31.12.2000	2,000

Or

(b) Write a short note on the following

- (i) Life membership fee
- (ii) Donations
- (iii) Entrance fee
- (iv) Legacy.

14. (a) Explain important terms to be used in the hire purchase system.

Or

(b) On 1.1.1996, X purchased machinery on hire purchase system. The Payment is to be made Rs. 4,000 down (on signing of the contract) and Rs. 4,000 annually for 3 years. The cash price of the machinery is Rs. 14,900 and the rate of interest is 5%.

Calculate the interest in each year's instalment.

15. (a) Explain the terms 'Dead Rent' and 'Short Workings' in Royalty Account.

Or

(b) On 31.12.98 Suresh of Chennai, whose assets and liabilities viz Rs. 60,000 and Rs. 45,000. He has filed insolvency petition. He estimated his deficiency Rs. 20,000. He found subsequently, the following has not taken into account.

- (i) Interest on capital of Rs. 30,000 @ 6% for one year
- (ii) Liability on bills discounted amounting in all Rs. 10,000 out of which Rs. 3,000 were expected to be dishonoured.
- (iii) Salaries Rs. 1,400; wages Rs. 500 and rent for 3 months Rs. 150.

Prepare statement of affairs and deficiency a/c.

PART C — (5 × 8 = 40 marks)

Answer ALL questions by choosing (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the difference between consignment and sales.

Or

(b) Explain the three different types of commission in consignment business.

17. (a) What do you mean by Joint Venture? How is it different from consignment?

Or

- (b) Maran and Somu entered into Joint Venture of Timber business. Profits were to be divided equally. Maran was to purchase timber and send it to Somu who would sell it. On 1.3.97, Maran purchased timber worth Rs. 80,000 and incurred Rs. 3,600 as expenses in forwarding it to Somu. He immediately drew upon Somu for Rs. 80,000 for three months. The acceptance was discounted at 6% p.a.

Somu paid Rs. 2,000 as freight Rs. 1,000 as commission and Rs. 800 as rent. The timber was disposed off for Rs. 1,20,000. He sent a cheque to Maran for the amount due on 30.6.97.

Prepare ledger accounts in the books of Somu.

18. (a) Prepare income and expenditure account and balance sheet for 31.12.2000 from the balance sheet and receipts and payments account given below.

Balance sheet as on 31.12.99

Liability		Assets	
Capital fund	33,620	Building	30,000
Subscription received in advance	600	Outstanding subscription	380
Outstanding exp.	1,400	Outstanding locker rent	240
Loan	5,000	Cash	10,000
	<u>40,620</u>		<u>40,620</u>

Receipts and payment a/c for the year 2000

Receipt		Payments	
To Bal. 1.1.2000	10,000	By expenses	
To Subscription		1999	1,200
1999	200	2000	2,000
2000	2,100	By Land	4,000
2001	100	By Interest	400
To Entrance fees	800	By Mis. expenses	2,000
To Locker rent	700	By Bal c/d as on 31.12.2000	8,300
	<u>17,900</u>		<u>17,900</u>

Or

- (b) Distinguish between receipts and payment account and income and expenditure account.

19. (a) Mr. B purchased a bank for Rs. 56,000 on hire purchase system payments to be Rs. 15,000 down and three instalments of Rs. 15,000 at the end of each year. Rate of interest is charged at 5% p.a. Buyer depreciates 10% p.a on assets under written down value method. Prepare necessary ledger account of both the parties.

Or

- (b) A company purchased on 1.1.2012 a machine on the hire-purchases system paying Rs. 4,000 down on the signing of the contract. It had to pay three annual installments Rs. 2,000 interest. The cash price of the machine was Rs. 10,000. The rate of interest was 5%. Depreciation 10% written down value method.
- (i) Prepare Hire-Vendor, Account and show the interest components of each of the above installments.
- (ii) Show the interest calculation in the rate of interest is not given in the problem.

20. (a) What is Royalty? When is it lapsed?

Or

- (b) A company leased a colliery from the GD coal limited on 1st January 2009 at a minimum rent of Rs. 40,000 merging into a royalty of Rs. 1 per ton with power to recoup shortworkings over the first three years of the lease. The output of the colliery for the first four years was 18,000 tons, 32,000 tons, 48,000 tons and 38,000 tons respectively.

Pass the necessary journal entries for each of the four years in the books of GD coal limited.