

Reg. No.

--	--	--	--	--	--	--	--	--	--

G. VENKATASWAMY NAIDU COLLEGE (AUTONOMOUS), KOVILPATTI – 628 502.



UG DEGREE END SEMESTER EXAMINATIONS - NOVEMBER 2024.

(For those admitted in June 2023 and later)

PROGRAMME AND BRANCH: B.COM.,

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
II	PART - III	CORE-3	U23CO203	FINANCIAL ACCOUNTING-II

Date & Session: 08.11.2024 / AN

Time : 3 hours

Maximum: 75 Marks

Course Outcome	Bloom's K-level	Q. No.	SECTION - A (10 X 1 = 10 Marks) Answer <u>ALL</u> Questions.
CO1	K1	1.	The system of recording of transactions based on dual aspect is called. a) Single entry b) Double entry c) Double account system d) None of these
CO1	K2	2.	The matching concept matches which of the following? a) Asset with liabilities b) Capital with income c) Revenues with expenses d) Expenses with capital
CO2	K1	3.	Which of the following is liability? a) Motor vehicle b) Machinery c) Credits of goods d) Cash at bank
CO2	K2	4.	Rent paid by cheque is recorded in. a) Cash book b) Pass book c) Expense book d) Journal proper
CO3	K1	5.	Which of the following is not a book of original entry? a) Journal book b) Ledger book c) Purchase book d) Sales book
CO3	K2	6.	Who are the real owners of a company? a) Government b) Board of Directors c) Equity shareholders d) Debenture holders
CO4	K1	7.	Which of the following business entity will not prepare trading account? a) Banking companies b) Insurance companies c) Investment companies d) All the above
CO4	K2	8.	_____ is prepared for ascertaining the cost of goods produced. a) Trading a/c b) Manufacturing a/c c) Profit & Loss a/c d) Purchase a/c
CO5	K1	9.	Only personal account and cash account are opened in. a) Single entry b) Double entry c) Accrual system d) Mercantile system
CO5	K2	10.	The unfavourable balance of Profit and Loss account should be: a) Subtracted from liabilities b) Subtracted from capital c) Subtracted from current assets d) Added in liabilities
Course Outcome	Bloom's K-level	Q. No.	SECTION - B (5 X 5 = 25 Marks) Answer <u>ALL</u> Questions choosing either (a) or (b)
CO1	K3	11a.	How would you explain about the important terms of hire purchase system. (OR)

CO1	K3	11b.	How would you explain differ hire purchase and instalment system.																																
CO2	K3	12a.	<p>Mr X company opened a branch at Madras on 01.01.2022. From the following particulars, the Madras branch account for the years 2022 and 2023.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Goods sent to Madras Branch</td> <td>15,000</td> <td>45,000</td> </tr> <tr> <td>Cash sent to Branch for</td> <td></td> <td></td> </tr> <tr> <td>Rent</td> <td>1,800</td> <td>1,800</td> </tr> <tr> <td>Salaries</td> <td>3,000</td> <td>5,000</td> </tr> <tr> <td>Other expenses</td> <td>1,200</td> <td>1,600</td> </tr> <tr> <td>Cash received from the branch</td> <td>24,000</td> <td>60,000</td> </tr> <tr> <td>Stock on 31st December</td> <td>2,300</td> <td>5,800</td> </tr> <tr> <td>Petty cash in hand on 31st December</td> <td>40</td> <td>30</td> </tr> </tbody> </table> <p style="text-align: center;">(OR)</p>	Particulars	2022	2023	Goods sent to Madras 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 31 st December	2,300	5,800	Petty cash in hand on 31 st December	40	30					
Particulars	2022	2023																																	
Goods sent to Madras 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 31 st December	2,300	5,800																																	
Petty cash in hand on 31 st December	40	30																																	
CO2	K3	12b.	Analyse the recording transactions in branch account.																																
CO3	K4	13a.	What are the factors affecting the value of goodwill? (OR)																																
CO3	K4	13b.	What are the methods of valuation of goodwill?																																
CO4	K4	14a.	<p>P, Q and R share profits in proportion of $\frac{1}{2}$, $\frac{1}{4}$ and $\frac{1}{4}$. on the date of dissolution their balance sheet was as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Liabilities</td> <td style="width: 50%;">Assets</td> </tr> <tr> <td>Creditors Rs 14,000</td> <td>Sundry Assets Rs 40,000</td> </tr> <tr> <td>P's Capital Rs 10,000</td> <td></td> </tr> <tr> <td>Q's Capital Rs 10,000</td> <td></td> </tr> <tr> <td>R's Capital Rs 6,000</td> <td></td> </tr> <tr> <td style="text-align: center;">-----</td> <td style="text-align: center;">-----</td> </tr> <tr> <td style="text-align: center;">40,000</td> <td style="text-align: center;">40,000</td> </tr> </table> <p>The assets realised Rs 35,500. Creditors were paid in full. Realisation expenses amounted to Rs 1,500. Close the books of the firm.</p> <p style="text-align: center;">(OR)</p>	Liabilities	Assets	Creditors Rs 14,000	Sundry Assets Rs 40,000	P's Capital Rs 10,000		Q's Capital Rs 10,000		R's Capital Rs 6,000		-----	-----	40,000	40,000																		
Liabilities	Assets																																		
Creditors Rs 14,000	Sundry Assets Rs 40,000																																		
P's Capital Rs 10,000																																			
Q's Capital Rs 10,000																																			
R's Capital Rs 6,000																																			
-----	-----																																		
40,000	40,000																																		
CO4	K4	14b.	<p>The following is the Balance sheet of X, Y and Z on 31.03.2022.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Rs</th> <th style="width: 30%;">Assets</th> <th style="width: 15%;">Rs</th> </tr> </thead> <tbody> <tr> <td>Capital A/C's</td> <td></td> <td>Furniture</td> <td>40,000</td> </tr> <tr> <td>X</td> <td>50,000</td> <td>Plant & Machinery</td> <td>20,000</td> </tr> <tr> <td>Y</td> <td>30,000</td> <td>Stock</td> <td>40,000</td> </tr> <tr> <td>General Reserve</td> <td>30,000</td> <td>Sundry Debtors</td> <td>20,000</td> </tr> <tr> <td>Sundry Creditors</td> <td>40,000</td> <td>Cash at Bank</td> <td>12,000</td> </tr> <tr> <td></td> <td></td> <td>Z's Capital</td> <td>18,000</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;">1,50,000</td> <td></td> <td style="border-top: 1px solid black;">1,50,000</td> </tr> </tbody> </table> <p>Z is insolvent but his estate pays Rs 4,000, it is decided to dissolve the partnership. The assets realised as follows. Sundry Debtors: Rs 15,000; Furniture Rs 28,000 Stock Rs 32,000; Plant and Machinery Rs 14,000 The dissolution expenses amounted to Rs 5,000. Give Accounts to close the books of the firm if the capitals are fluctuating:</p>	Liabilities	Rs	Assets	Rs	Capital A/C's		Furniture	40,000	X	50,000	Plant & Machinery	20,000	Y	30,000	Stock	40,000	General Reserve	30,000	Sundry Debtors	20,000	Sundry Creditors	40,000	Cash at Bank	12,000			Z's Capital	18,000		1,50,000		1,50,000
Liabilities	Rs	Assets	Rs																																
Capital A/C's		Furniture	40,000																																
X	50,000	Plant & Machinery	20,000																																
Y	30,000	Stock	40,000																																
General Reserve	30,000	Sundry Debtors	20,000																																
Sundry Creditors	40,000	Cash at Bank	12,000																																
		Z's Capital	18,000																																
	1,50,000		1,50,000																																
CO5	K5	15a.	<p>“Financial reporting can be improved by considering its qualitative characteristics” Evaluate it.</p> <p style="text-align: center;">(OR)</p>																																
CO5	K5	15b.	The accounting standards help measure the performance of the management of an entity. Explain about their importance.																																

Course Outcome	Bloom's K-level	Q. No.	<p style="text-align: center;">SECTION – C (5 X 8 = 40 Marks) Answer ALL Questions choosing either (a) or (b)</p>																														
CO1	K3	16a.	<p>On 01.01.2023, X purchased machinery on hire purchase system. The payment is to be made Rs 4000 down and Rs 4000 annually for three 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.</p> <p style="text-align: center;">(OR)</p>																														
CO1	K3	16b.	<p>X purchased a machine under hire purchase system. According to the terms of the agreement Rs 40,000 was to be paid on signing of the contract. The balance was to be paid in four annual instalments of Rs 25,000 each plus interest. The cash price was Rs 1,40,000. Interest is chargeable on outstanding balance at 20% per annum. Calculate interest for each year and the instalment amount.</p>																														
CO2	K4	17a.	<p>The following information relates to Madurai branch:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs</th> </tr> </thead> <tbody> <tr> <td>Stock on 01.01.2022</td> <td style="text-align: right;">11,200</td> </tr> <tr> <td>Branch debtors on 01.01.2022</td> <td style="text-align: right;">6,300</td> </tr> <tr> <td>Goods sent to Branch</td> <td style="text-align: right;">51,000</td> </tr> <tr> <td>Cash sent to Branch for:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Rent</td> <td style="text-align: right;">1,500</td> </tr> <tr> <td style="padding-left: 20px;">Salaries</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td style="padding-left: 20px;">Petty cash</td> <td style="text-align: right;">500</td> </tr> <tr> <td></td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Sales at Branch:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Cash</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td style="padding-left: 20px;">Credit</td> <td style="text-align: right;">39,000</td> </tr> <tr> <td></td> <td style="text-align: right;">64,000</td> </tr> <tr> <td>Cash received from debtors</td> <td style="text-align: right;">41,200</td> </tr> <tr> <td>Stock on 31.12.2022</td> <td style="text-align: right;">13,600</td> </tr> </tbody> </table> <p>Prepare branch account for the year 2022.</p> <p style="text-align: center;">(OR)</p>	Particulars	Rs	Stock on 01.01.2022	11,200	Branch debtors on 01.01.2022	6,300	Goods sent to Branch	51,000	Cash sent to Branch for:		Rent	1,500	Salaries	3,000	Petty cash	500		5,000	Sales at Branch:		Cash	25,000	Credit	39,000		64,000	Cash received from debtors	41,200	Stock on 31.12.2022	13,600
Particulars	Rs																																
Stock on 01.01.2022	11,200																																
Branch debtors on 01.01.2022	6,300																																
Goods sent to Branch	51,000																																
Cash sent to Branch for:																																	
Rent	1,500																																
Salaries	3,000																																
Petty cash	500																																
	5,000																																
Sales at Branch:																																	
Cash	25,000																																
Credit	39,000																																
	64,000																																
Cash received from debtors	41,200																																
Stock on 31.12.2022	13,600																																
CO2	K4	17b.	<p>Comment on the advantages of Departmental accounting.</p>																														
CO3	K4	18a.	<p>Calculate the amount of goodwill at three years purchase of last five years average profits. The profits were:</p> <p>I year – Rs 9,600 II year – Rs 14,400 III year – Rs 20,000 Iv year – Rs 6,000 V year – Rs 10,000</p> <p style="text-align: center;">(OR)</p>																														
CO3	K4	18b.	<p>X, Y and Z are partners sharing profit in the ratio 1:2:3. Z retires and his capital, after making adjustments for reserves and profits on revaluation, stands at Rs 44,000. X and Y agreed to pay him Rs 50,000 in full settlement of his claim. Give journal entry for goodwill if the new profit sharing ratio is decided at 1:3.</p>																														
CO4	K5	19a.	<p>How to evaluate the different methods of dissolution of firm?</p> <p style="text-align: center;">(OR)</p>																														
CO4	K5	19b.	<p>Give specimen journal entries for dissolution of a firm.</p>																														
CO5	K5	20a.	<p>What is the need for accounting standards? Discuss the pros and cons.</p> <p style="text-align: center;">(OR)</p>																														
CO5	K5	20b.	<p>A financial reporting objective is to enable investors to make informed decisions about the business. Interpret the sentence.</p>																														