

(FOR THE CANDIDATES ADMITTED

21 UBI 203

DURING THE ACADEMIC YEAR 2021 ONLY)

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : JULY 2022

B.COM-BI
SEMESTER-II

MAXIMUM MARKS: 70
TIME : 3 HOURS

PART – III

FINANCIAL ACCOUNTING-II

SECTION - A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Partnership Firm Agreement is known as -----
a) Partnership Contract b) Partnership Deed c) Agreement d) Partnership Act
2. Sacrificing ratio is used to distribute ----- in case of admission of partner.
a) Goodwill b) Revaluation Profit or Loss
c) Profit and Loss Account (Credit Balance) d) Profit and Loss Account (Debit Balance)
3. Unrecorded liability when paid on dissolution of a firm is debited to -----
a) Realisation A/c b) Revaluation A/c c) Partner's Capital A/c d) Goodwill A/c
4. The creditors whose loan is more than the realizable value of their security are termed as -----
a) Realisation A/c b) Goodwill c) Partly Secured Creditors d) Unsecured Creditors
5. For regulation of insurance trade in the country the government has formed -----
a) SEBI b) Insurance Regulatory and Development Authority
c) Reserve Bank of India d) General Insurance Corporation

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. A and B are partners in a business sharing profits in the ratio of 5:3. They decide to admit C into the firm giving him $\frac{1}{6}$ th share. Calculate the new profit sharing ratio of the partners.
7. Explain Gaining ratio.
8. Indicate the case of a partner when he becomes insolvent under Garner Vs Murray rule.
9. Construct an example for Insolvency of Individuals.
10. Indicate two major types of fire insurance claims.

(CONTD...2)

SECTION – B**(5 X 4 = 20 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Calculate the amount of goodwill at three years' purchase of last five years average profits.

The profits were:

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	

(OR)

b) Ramesh and Rajesh are partners sharing profits and losses in the ratio of 5:3. They admitted Pranesh and the new ratio is 3:2:1. Calculate sacrificing ratio of old partners?

12. a) Karim, Rahim and Salim share profits as $\frac{1}{2} : \frac{1}{3} : \frac{1}{6}$. Salim retires. Calculate the gaining ratio of Karim and Rahim

(OR)

b) P, Q and R are equal partners in a firm. R retires from the firm. On R's retirement, goodwill has been valued at Rs. 62,000. There was a goodwill a/c in the books of the firm with a balance of Rs.80,000. List out journal entry to record the goodwill.

13. a) Dramatize the term dissolution. List out the modes of dissolution.

(OR)

b) A partnership firm has three partners X,Y,Z with capitals as X Rs.50,000, Y Rs.15,000 and Z Rs.45,000. The partners share profits and losses in the ratio of 5:3:2. You are required to calculate absolute surplus capital under proportionate capital method of piecemeal distribution.

14. a) Pranav of Chennai owes the following sums:

Income Tax	Rs.4,000
Corporation Tax	Rs.600
Wages to 2 servants	Rs.500
Salaries to 4 clerks	Rs.2,700
Rent to land lord for 3 months	Rs.3,000

Find the amount payable by him as preferential creditors and unsecured creditors.

(OR)

b) Show a deficiency a/c from the following particulars:

	Rs.
i. Excess of assets over liabilities	6,000
ii. Loss in Business	10,500
iii. Profits	13,000
iv. Drawings	17,000

(CONTD...3)

15. a) Calculate the amount of claim by applying average clause

Particulars	Amount
Loss of stock by fire	4,00,000
Amount of policy	3,42,000
Total value of stock destroyed by fire	4,56,000

(OR)

b) On 1st April, 2015, a fire destroyed the stock of a business firm. From the records which were saved, the following information was obtained:

	Rs.
Stock - on 1.1.2014	45,000
- on 1.1.2015	55,000
Purchase - for calendar year 2014	1,29,250
Sales - for year ended 31.12.2014	1,70,000
Manufacturing Expenses - Calendar year 2014	21,000

Calculate rate of gross profit on sales.

SECTION - C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS

(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS (FROM

Qn. No : 17 to 21)

(K4 (Or) K5)

16. Anbu, Bhojan and Chandran were in partnership, sharing profits and losses equally. On 1.1.2013, Anbu retired when the firm's balance sheet was as under:

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

According to the partnership deed, assets were agreed to be revalued on Anbu's retirement as under: Land and buildings Rs.5,800; Plant & Machinery Rs.6,564; Investments Rs.8,400; Goodwill was revalued at Rs.9,600.

Pass necessary Journal entries and prepare revaluation a/c.

(CONTD...4)

17. Mala and Kala are in partnership with capitals of Rs.30,000 and Rs.20,0000 respectively. Mala is entitled for a salary of Rs. 400 per month which is not yet drawn. Interest at 5% is allowed on capitals. There is no interest on drawings. During the Year 2012, Mala withdrew Rs.3,000 and Kala Rs.2,000 . The profit for the year 2012 before making any of the above adjustments is Rs.12,000. Of the divisible profits Mala is entitled for 60% and Kala 40% on the first Rs.2,000. Over the amount, profit shared equally.

Show partners' capital accounts and also the account showing the allocation of profits.

18. A, B and C were partners in a firm with capitals of Rs.20,000, Rs.16,000 and Rs.12,000 respectively and sharing profits in the ratio of 3:2:1. On 31st December 2020 B retires. For the purpose of retirement, the goodwill of the firm was valued at Rs.36,000.

Pass necessary journal entries under the following cases:

- i) Total Goodwill is raised and maintained in the books
- ii) Total Goodwill is raised but written off later on
- iii) Only B's share of goodwill is raised and maintained in the books
- iv) Only B's share of goodwill is raised but later on written off
- v) 'B' is given his share of goodwill without raising the goodwill account

19. The following was the Balancesheet of A and B on 31.12.2003

Liabilities	Rs	Assets	Rs
Creditors	38,000	Cash	11,500
Mrs A's Loan	10,000	Stock in trade	6,000
B's Loan	15,000	Debtors	20,000
Reserve fund	5,000	Less :Provision	<u>1,000</u>
Capital		Fixtures and findings	4,000
A: 10,000		Machinery	28,000
B <u>8,000</u>	18,000	Investments	10,000
		P & L A/c	7,500
	86,000		86,000

The firm was dissolved on 31.12.2003 and the following was the result:

- i) A took over the investment at an agreed value of Rs.8,000 and agreed to pay off the loan to Mrs.A
- ii) The assets realised as follows:
Stock Rs.5,000, Debtors Rs.18,500, Fixtures and findings Rs.4,500 and plant and Machinery Rs.25,000
- iii) The expenses were Rs.1,100
- iv) The sundry Creditors were paid off less 2 ½ % discount
A and B shared profits and losses in the ratio of 3:2. Prepare Realisation A/c, Capital A/c and Bank A/c.

(CONTD...5)

20. From the following particulars, prepare the statement of affairs and deficiency account of Mohan who is an insolvent debtor:

Unsecured creditors Rs.30,100; Creditors partly secured Rs. 38,160 (Holding security of the value of Rs. 36,200 which is estimated to realise only Rs. 12,000), Preferential Creditors Rs. 1,000; Bills Receivable discounted Rs.4,120 (upon which it is estimated that there will be liability of Rs.560); Stock in trade Rs. 20,020 (estimated to realise Rs 16,000); Book debts: Goods Rs. 15,720: doubtful and bad Rs 1,300 (estimated to realise Rs.356) Land and Buildings Rs.16,000 (estimate to realise Rs.10,000), Plant & Machinery Rs.25,000 (estimated to realize Rs.11,000) cash in hand Rs.4.

He started business five years ago with a capital of Rs.50,000; The trading after charging interest on capital at Rs. 2,000 per year resulted in a profit of Rs .1204 for the first year and losses of Rs.740, Rs.900, Rs.1,000 and Rs.1,400 for the subsequent years. His drawings were at the rate of Rs.1,800 a year and there was a speculation loss of Rs. 3,180 during the whole period of five years.

21. Fire occurred in the premises of Rajendran & co. on 15th June 2000. You are given the following information

Particulars	1997 Rs.	1998 Rs.	1999 Rs.	2000 Rs.
Opening balance	8,000	7,500	8,000	9,000
Purchases	20,500	23,600	28,300	39,000
Sales	30,000	33,000	39,000	49,500
Closing stock	7,500	8,000	9,000	?

The stock salvaged was Rs. 1,900. Compute the amount of claim.

