Reg. No. | | | | | | | |

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

UG DEGREE END SEMESTER EXAMINATIONS - APRIL 2025.

(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: 28.04.2025/FN **Time: 3 hours** **Maximum: 75 Marks**

Course Outcome	Bloom's K-level	Q. No.	SECTION – A (10 X 1 = 10 Marks) Answer ALL Questions.
CO1	K1	1.	Under H.P. system, buyer becomes the owner _____________. a) after receipt of goods b) on payment of down money c) on payment of last instalment d) on payment of first instalment
CO1	K2	2.	Hire purchase price includes _________. a) cash price + interest b) cash price + down payment c) down payment + interest d) cash price only
CO2	K1	3.	While preparing the Departmental Accounts, advertising expenditure is apportioned between the departments on the basis of the following: a) Space occupied by each department b) Sales made by each department c) Cash in hand with each department d) Gross Profit of each department
CO2	K2	4.	A Branch which maintains its own set of books is called ________ branch. a) dependent b) foreign c) local d) independent
CO3	K1	5.	On the death of a partner, the amount of joint life policy should be credited to the capital a/c of: a) all partners including the deceased partners in their profit sharing ratio b) remaining partners in the new profit sharing ratio c) neither the deceased partner nor the remaining partner d) all of these
CO3	K2	6.	On admission of a new partner, decrease in value of asset is debited to: a) P & L adjustment a/c b) Trading a/c c) Balance Sheet d) Revaluation a/c
CO4	K1	7.	General Reserve appearing at the time of dissolution is transferred to ______. a) Bank A/c b) Realisation A/c c) Capital A/c d) General Reserve A/c
CO4	K2	8.	On the insolvency of a partner of a firm, the loss on account of the insolvent partner should be borne. a) equally b) in the profit sharing ratio c) in the ratio of capitals after solvent partners being cash equal to their share of loss on realisation d) all of these

CO5	K1	9.	When accounting standard board has been constituted? a) 21 Feb 1977 b) 21 March 1977 c) 21 May 1977 d) 21 April 1977
CO5	K2	10.	IFRS stands for a) International Financial Reporting Standards b) Indian Financial Report System c) Institution for Finance Report Standards d) International Finance Report System
Course Outcome	**Bloom's K-level**	**Q. No.**	**SECTION – B (5 X 5 = 25 Marks)** **Answer ALL Questions choosing either (a) or (b)**
CO1	K3	11a.	A trader fixes hire purchase price of his goods by adding 60% to the cost of the goods. Prepare Hire Purchase Trading Account to ascertain profit earned by the trader from his following hire purchase transactions: Stock with hire purchase customers at hire purchase price in the beginning of the year ₹ 64,800 Goods sold on hire price basis during the year ₹ 2,61,360 Cash received from hire purchase customers during the year ₹ 84,000 Stock with hire purchase customers at hire purchase price at the end of the year ₹ 2,26,960. **(OR)**
CO1	K3	11b.	X Purchased a machine under hire purchase system. According to the terms of the agreement ₹ 40,000 was to be paid on signing of the contract. The balance was to be paid in four annual installments of ₹ 25,000 each plus interest. The cash price was ₹ 1,40,000. Interest is chargeable on outstanding balance at 20% per annum. Calculate interest for each year and the installment amount.
CO2	K3	12a.	Naga of Trichy has a branch at Madras. Goods are sent by head office at invoice price which is at the profit of 20% on cost price. All expenses of the branch are paid by head office. From the following particulars, prepare branch account in the H.O. books, showing goods at invoice price. ₹ Opening Balances: Stock at invoice price: 11,000 Debtors 1,700 Petty Cash 100 Goods sent to branch at invoice price 20,000 Expenses paid by H.O. Rent 600 Wages 200 Salary 900 Remittance made to H.O. Cash Sales 2,650 Cash collected from Debtors 21,000 Goods returned by branch at invoice price 400 Balances at the end Stock at invoice price 13,000 Debtors 2,000 Petty Cash 25 **(OR)**

CO2 | K3 | 12b. A company has Two Departments, P and Q. From the following particulars, prepare Departmental Trading & Profit and Loss account for the year ending: 31-3-2020.

Particulars	Dept. 'P'	Dept. 'Q'
Opening Stock	1,00,000	-
Purchases	23,00,000	2,00,000
Goods from department 'P'	-	7,00,000
Wages	1,00,000	1,60,000
Travelling Expenses	10,000	1,40,000
Closing stock	8,00,000	1,80,000
Sales	23,00,000	15,00,000
Printing and Stationery	20,000	16,000

CO3 | K4 | 13a. A firm earned net profit for the last 3 years were ₹ 18000, ₹ 20000 and ₹ 22000. Their capital investment of the firm is ₹ 60000. The fair return on capital is 10%. Calculate the value of goodwill on 3 years purchase.

(OR)

CO3 | K4 | 13b. A, B and C are partners who share in the ratio of 2:2:1. The goodwill valued at ₹ 30,000.
There being no goodwill a/c in the books. B retires. Pass journal entries to record goodwill if:
a) It is allowed to remain in books
b) Only B's share is recorded

CO4 | K4 | 14a. X, Y & Z are partners sharing in the ratio of 2:2:1.

Balance sheet

Liabilities	₹ .	Assets	₹.
Creditors	2,000	Cash	2,000
X's Capital	5,000	Debtors	1,000
Y's Capital	2,000	Stock	2,000
Z's Capital	1,000	Other assets	5,000
	10,000		10,000

The firm was dissolved. The assets realized ₹ 7660. The creditors were settled at ₹ 1900. Realisation expenses ₹ 60. Close the books.

(OR)

CO4 | K4 | 14b. A partnership firm has 3 partners X, Y and Z with capital of ₹ 20000, ₹ 10000 and ₹ 10000 respectively. On dissolution, the assets realized as follows: Creditors - ₹ 20000, Assets - ₹ 60000. I - ₹ 20000, II - ₹ 20000, III - ₹ 10000. Their profit sharing ratio is 3:2:1. Show the piece meal distribution under Maximum loss method.

CO5 | K5 | 15a. Financial statements serve several essential objectives that contribute to the overall transparency, accountability, and usefulness of financial information. - Justify.

(OR)

CO5 | K5 | 15b. Predict the difference between IFRS adoption and IFRS convergence.

Course Outcome	Bloom's K-level	Q. No.	**SECTION – C (5 X 8 = 40 Marks)** Answer ALL Questions choosing either (a) or (b)

CO1 | K3 | 16a. A joint stock company sells its product on hire purchase terms. It charges profit at 25% of selling price. The following particulars pertain to its hire purchase business during the year ended 31st March, 2015:

Balances of 1st April, 2014:	(₹ in '000s)
Stock at shop	450

			Stock out on hire, at hire purchase price 1,200 Instalments due, customers still paying 90 Cash received from customers during the year 4,800 Balances on 31st March, 2015: Stock out on hire, at hire purchase price 1,860 Instalments due, customers still paying 130 Stock at shop 516 You are required to prepare: (1) Hire Purchase Debtors Account (ii) Hire Purchase Stock Account (iii) Goods sold on Hire Purchase Account (iv) Stock at Shop Account, and (v) Hire Purchase Adjustment Account, showing profit earned. **(OR)**
CO1	K3	16b.	Malan purchased a machine on hire purchase system on 1st January 2023. The terms of payment are four annual installments of ₹ 12,690 at the end of each year. Interest is charged @ 5% and is included in the annual payment of ₹ 12,690. Show Machinery account and Hire vendor account in the books of Malan who defaulted in the payment of the third yearly payment whereupon the vendor repossessed the Machinery. Malan provides depreciation on the machinery @ 10% p.a. on the reducing balance.
CO2	K4	17a.	The following purchases were made by a business house having three departments. Dept. A 1,000 units Dept. B 2,000 units } at a total cost ₹ 1,00,000 Dept. C 2,400 units Stocks on 1st January were: Dept. A 120 units Dept. B 80 units Dept. C 152 units Sales were: Dept. A 1,020 units at ₹ 20 each Dept. B 1,920 units at ₹ 22.50 each Dept. C 2,496 units at ₹ 25 each The rate of gross profit is same in each case. Assess the Gross Profit by preparing Departmental Trading Account. **(OR)**
CO2	K4	17b.	A head office invoices goods to its branch at cost plus 50%. Branch remits all cash received to the head office and all expenses are met by the H.O. From the following particulars, prepare the necessary accounts on the stock & debtors system to show the profit or loss at the branch. ₹ Stock on 1.1.89 (invoice price) 27,900 Debtors on 1.1.89 20,400 Goods returned by debtors 3,600 Goods returned to H.O. by branch 4,500 Goods invoiced to the branch (invoice price) 1,53,000 Cash Sales 75,000 Credit Sales 93,000 Cash collected from debtors 91,200 Shortage of stock 1,350 Discount allowed 600 Expenses at the branch 16,200 Bad debts 600

CO3	K4	18a.	A and B are partners in a firm. They share profits and losses in the ratio of 3:1. Their balance sheet is as follows:

Balance sheet

Liabilities	₹	*Assets*	₹
Capital A	80,000	Building	1,00,000
B	40,000	Plant	25,000
Reserve	40,000	Stock	40,000
Creditors	60,000	Debtors	70,000
Bills payable	20,000	Cash	5,000
	2,40,000		2,40,000

C is admitted into partnership for 1/5th share of the business on the following terms:
(a) Building is revalued at ₹ 1,20,000.
(b) Plant is depreciated to 80%
(c) Provision for bad debts is made at 5%.
(d) Stock is revalued at ₹ 30,000.
(e) C should introduce 50% of the adjusted capitals of both A and B. Open various accounts and the new balance sheet after the admission of C.

(OR)

CO3	K4	18b.	A, B and C carrying business and sharing profit and losses in proportion to their capital. Their B/S was as follows:

Liabilities	₹	Assets		₹.
Creditors	13,800	Cash		11,000
A's Capital	45,000	Debtors	10,000	
B's Capital	30,000	(-) Provision	200	9,800
C's Capital	15,000	Stock		16,000
		Plant		17,000
		Land		50,000
	1,03,800			1,03,800

B retires.
(i) Out of insurance, it was debited to P & L a/c ₹ 1500 to be carried forward as unexpired insurance.
(ii) Provision for doubtful debts at 5%.
(iii) Land depreciated by 20%.
(iv) ₹ 4000 made for outstanding bill for repairs.

Goodwill was fixed at ₹ 21600. Prepare revaluation a/c and balance sheet.

CO4	K5	19a.	A, B and C are partners sharing 8:5:3. Their B/S were

Liabilities	₹	Assets	₹
Creditors	5,906	Current a/c:	
Bank loan	11,000	A	4,390
A's Capital	10,000	B	3,466
B's Capital	4,000	C	3,040
C's Capital	2,000	Drs	7,144
		Plant	2,100
		Stock	12,118
		Cash	648
	32,906		32,906

The firm's assets were realized: Plant ₹ 1,200, Stock - ₹ 10,460, Drs - ₹ 7,110. C was adjudicated as insolvent and could contribute nothing towards his deficiency in the firm. You are required to close the books as per rules laid down in Garner Vs. Murray.

(OR)

<table>
<tr><td>CO4</td><td>K5</td><td>19b.</td><td>P, Q, R were partners in a firm. They share in 6:3:1.

<table>
<tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹.</th></tr>
<tr><td>Bank O/D</td><td>3,500</td><td>Plant</td><td>7,500</td></tr>
<tr><td>P's loan</td><td>500</td><td>Stock</td><td>2,500</td></tr>
<tr><td>Crs</td><td>2,500</td><td>Drs</td><td>6,000</td></tr>
<tr><td>P's Capital</td><td>8,000</td><td>Cash</td><td>500</td></tr>
<tr><td>Q's Capital</td><td>3,000</td><td>R's Capital</td><td>1,000</td></tr>
<tr><td></td><td>17,500</td><td></td><td>17,500</td></tr>
</table>
The partners decided to dissolve the firm. The assets realized as follows: Plant 20% less, Stock 25% less, Drs 30% less. Expenses of dissolution ₹ 250. R became bankrupt and his private assets yield ₹ 100. Close the books (apply Garner Vs. Murray rule).</td></tr>
<tr><td>CO5</td><td>K5</td><td>20a.</td><td>Assess the development of Indian Accounting Standards.
(OR)</td></tr>
<tr><td>CO5</td><td>K5</td><td>20b.</td><td>Compare and contrast IFRS and IND AS.</td></tr>
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