



**WEST BENGAL STATE UNIVERSITY**  
B.Com. Honours 3rd Semester Examination, 2021-22

**FACACOR07T-B.COM. (CC7)**  
**FINANCIAL ACCOUNTING-II**

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.*  
*Candidates should answer in their own words as far as practicable*  
*All symbols are of usual significance.*

**GROUP-A**

**Answer any two questions**

10×2 = 20

1. Akash, Bikash and Prokash are partners of a firm having Capitals of Rs. 80,000, Rs. 40,000 and Rs. 30,000 respectively on April 1, 2020. The partnership deed provides that:
  - (i) Interest on Capital to be allowed at 6% p.a.
  - (ii) Akash to get salary at Rs. 1,000 p.m.
  - (iii) Prokash to get commission @ 5% on the distributable profit.
  - (iv) Profits to be divided as upto Rs. 36,000 as 4:3:2 and above Rs. 36,000 equally subject to a minimum of Rs. 30,000 (inclusive of all) to Prokash.
 The net profit for the year ended March 31, 2021 amounted to Rs. 1,05,000. Prepare the Profit & Loss Appropriation Account and the Capital Accounts of the partners.
  
2. Ajoy and Bijoy are partners with 4:1 profit sharing ratio. They admit Sanjoy as partner for 1/3rd share and agree to share future profits equally between themselves. Sanjoy pays Rs. 30,000 as his share of premium for goodwill. Pass Journal entries assuming Sanjoy brings in Furniture Rs. 30,000, Stock Rs. 40,000 and Machinery Rs. 20,000 towards his capital.
  
3. X, Y and Z are partners in a firm. They share profits and losses in the ratio of 2:2:1. They decided to dissolve the firm on 31.3.2021 on which date the Balance Sheet of the same stood as follows:

Liabilities	Rs.	Assets	Rs.
Capital:		Fixed Assets	50,000
X	40,000	Debtors	20,000
Y	30,000	Stock	8,000
Reserve Fund	20,000	Z's Capital	2,000
Creditors	12,000	Cash at Bank	22,000
	<b>1,02,000</b>		<b>1,02,000</b>

The realization shows the following results:

- (i) Y took over Creditors at Rs. 10,000.
- (ii) Fixed Assets were sold at Rs. 52,000
- (iii) Debtors were bad in full
- (iv) X took over Stock at Rs. 7,000

- (v) Z was allowed the right to use the firm name in his business for which he paid Rs. 12,000.

Close the books of the firm on 31.3.2021.

4. M/s. Karuna Ltd. has two departments— A and B. You are required to prepare Departmental Trading and Profit & Loss Account for each departments for the year ended on 31.3.2021 on the basis of the following information:

	Department A (Rs.)	Department B (Rs.)
Opening Stock	30,000	10,000
Raw Material Consumed	72,000	?
Wages	12,000	6,000
Sales	1,80,000	36,000
Packing	Nil	1,200
Closing Stock	12,000	24,000

**Other Common Expenses:**

	Rs.
Stores Consumed	18,000
Advertisement	3,000
Depreciation:	
Factory Building	3,200
Equipment	6,400
Office Expenses	9,600

**Additional Information:**

- (i) Outputs of Department B are made out of parts of raw material of Department A. The value of such material used during the year was Rs. 4,000.
- (ii) Department B does not require any equipment in its production process.
- (iii) Only 1/8th area of the building is occupied by Department B.

5. Kolkata Transport Co. Ltd. purchased four Trucks from Binayak Auto Ltd. on April 1, 2017 on hire purchase system. The cash price of each Truck was Rs. 8,00,000. The mode of payment was as follows:

20% of cash price to be paid on delivery and 25% of cash price to be paid at the end of each year for four years. Kolkata Transport Co. Ltd. writes off depreciation @ 10% p.a. on diminishing balance method. The payment due on 31.3.2019 could not be paid. Binayak Auto Ltd. repossessed two Trucks adjusting its value against the amount due. The re-possession was done on the basis of 25% depreciation under fixed instalment method.

You are required to prepare Truck A/c, Binayak Auto Ltd. and Truck Surrender A/c in the books of Kolkata Transport Co. Ltd.

6. What is Dissolution of Firm? Discuss the circumstances under which a firm is dissolved.

**GROUP-B****Answer any two questions**

15×2 = 30

7. Aparesh, Amaresh, Ajitesh are partners, sharing profits and losses in the ratio of 5:3:2. It was decided that Ajitesh would retire on March 31, 2021 and in his place Akhilesh would be admitted as a partner with new profit sharing between Aparesh, Amaresh and Akhilesh at 3:2:1.

**Balance sheet of Aparesh, Amaresh, Ajitesh as on March 31 2021**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Partner's Capital A/c:		Cash in hand	20,000
Aparesh	1,00,000	Cash at Bank	1,00,000
Amaresh	1,50,000	Sundry Debtors	5,00,000
Ajitesh	2,00,000	Stock in Trade	2,00,000
General Reserve	2,00,000	Plant & Machinery	3,00,000
Sundry Creditors	8,00,000	Land & Building	5,30,000
Loan from Akhilesh	2,00,000		
	<b>16,50,000</b>		<b>16,50,000</b>

Retirement of Ajitesh and admission of Akhilesh is on the following terms:

- Plant & Machinery to be depreciated by Rs. 30,000.
- Land & Building to be valued at Rs. 6,00,000.
- Stock to be valued at 95% of book value.
- Provision for doubtful debts @ 10% to be provided on Debtors.
- General Reserve to be apportioned amongst Aparesh, Amaresh and Ajitesh.
- Goodwill is valued at Rs. 1,10,000.
- Out of the amount due to Ajitesh Rs. 2,00,000 would be retained as loan by the firm and the balance will be settled immediately.
- Akhilesh's capital should be equal to 50% of the combined capital of Aparesh and Amaresh. Loan from Akhilesh appearing in the Balance Sheet is to be treated as part of his capital contribution.

You are required to prepare:

- (a) Capital accounts of the partners and (b) Balance Sheet of the reconstituted firm.

8. Lucky, Happy and Jolly are partners of a firm and share profits and losses in the ratio of 4:3:3. Their Balance Sheet as on March 31, 2021 was as under:

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Capital Accounts:		Cash in hand	8,000
Lucky	80,000	Cash at Bank	12,000
Happy	48,000	Other Assets	2,60,000
Jolly	<u>32,000</u>		
Reserve Fund	32,000		
Contingency Reserve	16,000		
Loan from Lucky	20,000		
Loan from Happy	12,000		
Sundry Creditors	40,000		
	<b>2,80,000</b>		<b>2,80,000</b>

The partnership is dissolved and the assets realised as follows:

**1st Realisation: Rs. 48,000; 2nd Realisation: Rs. 1,20,000; 3rd Realisation: Rs. 60,000;**

Realisation expenses were estimated at Rs. 12,000, but actual expenses was Rs. 10,000 and paid on 3rd Realisation. Jolly took stock worth Rs. 2,800 at the time of 2nd Realisation.

Prepare a statement showing how the distribution should be made by following the 'Surplus Capital' method.

9. Sen Bros. with its head office at Kolkata has a branch at Lucknow. The branch receives all goods from Head Office who also remits cash for all expenses. Sales are made by the branch on credit as-well-as for cash, and all cash collections are remitted to H.O. The following information are relevant:

	1.4.2020(Rs.)	31.3.2021 (Rs.)
Equipment	80,000	?
Stock-in-Trade	50,000	72,000
Debtors	1,20,000	96,000
Petty Cash	240	360

**Additional Information:**

- (i) Sale of equipment on 30.9.2020 Rs. 9,000 ((Book value of equipment sold on 30.9.2020 Rs. 9,500.))
- (ii) Total sales by the branch for the year ended March 31, 2021 amounted to Rs. 11,20,000 out of which 20% was effected in cash.
- (iii) Expenses incurred by the branch during the year were:  
Salaries- Rs. 60,000; Rent- Rs. 20,000; Advertisement- Rs. 16,000; Petty expenses- Rs. 10,000
- (iv) All sales are made by the branch at cost plus 25%.

Prepare the Lucknow Branch Account in the books of the Kolkata Head Office for the year ended 31.3.2021.

10. Century Ltd. sells its products only on hire purchase terms– the hire purchase price being 'cost plus  $33\frac{1}{3}\%$ '. From the following particulars relating to the year 2020-21, prepare necessary ledger accounts under 'Stock-Debtors Method' for ascertaining the operating results for the year 2020-21:

	1.4.2020(Rs.)	31.3.2021 (Rs.)
Stock out on hire at H.P. price	1,20,000	?
Stock on hand at shop	15,000	21,000
Instalments due (customers still paying)	9,000	15,000

**Additional Information:**

- (i) Cash received during the year Rs. 2,40,000;
- (ii) Purchases during the year Rs. 2,04,000;
- (iii) Goods repossessed (instalments not yet matured Rs. 6,000) valued at Rs. 2,400.

11. Mr. A Kundu held 260, 12% Debentures in X Ltd. @ Rs. 110 on 1.4.2020. The face value of each debenture was Rs. 100. Interest on debentures is payable annually on March 31 every year.

The following were his transactions in the same debenture during 2020-21:

- 1.7.2020 Bought 400 Debentures cum-interest @ Rs. 108.
- 1.9.2020 Bought 240 Debentures ex-interest @ Rs. 105.
- 1.10.2020 Sold 360 Debentures cum-interest @ Rs. 115.

He paid brokerage on purchase price/sale proceeds of debentures @ Re. 0.02 for a rupee.

Make out Investment Account in the books of Mr A. Kundu.

12. Distinguish between the following:

5×3

- (i) Departmental Accounts and Branch accounts
- (ii) Operating Lease and Financial Risk
- (iii) Hire Purchase System and Instalment Payment System.

**N.B. :** *Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.*

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