AC-2655
First Year B. Com. (Hons.) (Sem. II) Examination
April/May – 2015
Financial Accounting : Paper - II

Time : Hours ] [Total Marks : 50

Instruction :

Fill up strictly the details of signs on your answer book.

Name of the Examination : FIRST YEAR B. COM. (HONS.) (SEM. II)
Name of the Subject : FINANCIAL ACCOUNTING : PAPER - II
Subject Code No. : 2 6 5 5

1 (A) A and B are partners in a business sharing profits and losses in the ratio of 3:2. They admit a new partner C with 1/5 share in the profits. Calculate the new profit sharing ratio of the partners.

(B) A, B and C were partners sharing profits and losses in the 3/6, 2/6 and 1/6. Calculate the new and gaining ratios when A retires.

(C) Answer in true or false :
   (1) Receipt and Payment Account is a Nominal Account.
   (2) Receipt and Payment Account starts with an opening balance.

(D) Virat purchased a machine from Ajay and Co. on 1-04-2010 on hire purchase system. Down payment is Rs. 10,000/- and the balance amount is payable in four annual instalment at 10% interest as follows :
   31-03-2011 ........ Rs. 10,900/-
   31-03-2012 ....... Rs. 9,100/
   31-03-2013 ....... Rs. 7,400/-
   31-03-2014 ....... Rs. 8,800/-
   Find out the cash price of the machine.

(E) Dhaval and Sanjay are partners in joint venture. If Sanjay sold of goods worth of Rs. 5,000/-, what will be journal entry in the books of Dhaval?
2 The Mayur Toys Ltd., has a branch at Navsari.
All goods are supplied to the branch at invoice price which is fixed by adding 25% to the cost and are sold at invoice price only. From the following particulars relating to the year 2013-14 ascertain net profit or loss of the branch by 'Stock and Debtors System':

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Rs.</th>
<th>Particulars</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Stock</td>
<td></td>
<td>Bad Debts</td>
<td>1,500</td>
</tr>
<tr>
<td>(Invoice price)</td>
<td>5,000</td>
<td>Discount allowed</td>
<td></td>
</tr>
<tr>
<td>Debtors (1-04-2013)</td>
<td>6,000</td>
<td>to customers</td>
<td>500</td>
</tr>
<tr>
<td>Good supplied to Branch</td>
<td></td>
<td>Goods returned by</td>
<td></td>
</tr>
<tr>
<td>(Invoice price)</td>
<td>54,000</td>
<td>customers</td>
<td>1,000</td>
</tr>
<tr>
<td>Sales : Cash</td>
<td>20,000</td>
<td>Cash remitted to</td>
<td></td>
</tr>
<tr>
<td>Credit</td>
<td>30,000</td>
<td>Branch for :</td>
<td></td>
</tr>
<tr>
<td>Cash received from</td>
<td></td>
<td>Rent</td>
<td>2,000</td>
</tr>
<tr>
<td>Debtors</td>
<td>26,500</td>
<td>Salary</td>
<td>1,200</td>
</tr>
<tr>
<td>Goods returned by</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branch</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3 Jeet Radio consigned 1000 radios to Bombay Radio Services on 1-03-2013. The cost price was Rs. 600/- per radio, but the pro-forma invoice was made out at a figure so as to show a profit of 25% on invoice price. On the same day, Jeet Radio incurred the following expenses:

Carriage .................. Rs. 2,000/

Freight .................... Rs. 30,000/

Insurance .................. Rs. 25,000/

On the same day Bombay Radio Service sent a bank draft for Rs. 2,44,000/-. On 30th June, 2013 to Bombay Radio Services sent an Account Sale and a bank draft for the amount payable. According to Account Sale 600 radios were sold at Rs. 820/- each for cash, 100 radios were sold at Rs. 850/- each to Anil on credit and 40 radios were sold at Rs. 840/- each to Darshan on the recommendation and responsibility of Jeet Radio. Selling expenses incurred Rs. 10,450/-, Octroi incurred Rs. 7,000/-. Anil and Darshan became bankrupt and Bombay Radio could recover only 80% from their estate.
Bombay Radio Service is entitled to get a commission of 5% on sale and 2% Del credere commission on credit sales and 1/7 share of the net profits on consignment after deducting both his commission and share of profits. Prepare necessary Accounts in the books of the Consignor.

4 Write Short notes. (any three)

1. Difference between Receipt Payment Account and Income Expenditure Account.
2. Joint life policy
3. Maximum loss method
4. Accounting standard in India