

School of Finance and Commerce

**Bachelor of Commerce Honours in Financial Market
Semester End Examination - Jun 2024**

**Duration : 180 Minutes
Max Marks : 100**

Sem II - H1UB204T - Financial Accounting-II

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

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|----|---|-------|
| 1) | Define depreciation. | K1(2) |
| 2) | Explain the circumstances that can lead to insolvency? | K2(4) |
| 3) | ABC Co. of New Delhi opened a branch at Kanpur. The following is the list of transactions between the Head office and the branch for the year ending March 31, 2001 | K2(6) |

Particulars	Amount (Rs.)
Stock at Branch on 1/4/2000	1,500
Goods supplied to Branch during the year	24,000
Cash sent to Branch for:	
Salaries	1200
Rent	360
Telephone expenses	100
Petty Expenses	150
Remittances received from the branch during the year	
Stock on 31st March, 2006	27500
Balance of Petty Cash	1250
	10

All the branch expenses are paid by Head office. Give journal entries and show the Branch Account in the Head office books.

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|----|---|-------|
| 4) | S.S. Jai hind commenced a voyage on October, 2001 from Mumbai to London and back. The voyage was completed on November 30, 2001. It carried a consignment of tea on its outward journey and of machinery on its return journey. The ship was insured and annual premium was ₹1,20,000. Prepare voyage account from the following particulars. | K3(9) |
|----|---|-------|

Freight earned (outward).....	₹	
5,00,000		
Freight earned (inward).....		3,50,000
Port dues.....		
25000		
Bunker cost.....		
1,50,000		
Stores.....		84,000
Wages and salaries.....		
2,50,000		
Sundry Expenses.....		25000
Passage money received.....		50,000
Lighterage charge.....		33,000
Annual depreciation.....		4,80,000

Address commission 5% on outward and 4% on inward freight. Primage is 5% on freight. The manager is entitled 5% commission on the profit earned after charging such commission. Stores and coal in hand were valued at ₹ 15000 on November 30th, 2001.

5)

Vijay Merchant of Mumbai has a branch at Poona. Goods are invoiced to the branch at cost plus 25%. Branch is instructed to deposit cash every day in the head office account with the bank. All expenses are paid through cheques by the head office except petty cash expenses which are paid by the branch manager.

K3(9)

Prepare Branch Account in the books of head office after taking into account the following information also:

Stock at invoice price on 1st April, 2011	82000
Stock at invoice price on 31st March, 2012	96000
Debtors on 1st April 2011	31700
Debtors on 31st March, 2012	42150
Furniture on 1st April, 2011	23400
Cash Sales	401300
Credit Sales	372100
Goods invoiced to branch by head office	628000

Furniture purchased on 1st October, 2011 by branch manager, payment having been made out of cash sales and collections from debtors

	2500
Expenses paid by head office	132000
Petty expenses paid by branch	10450

Depreciation is provided on branch furniture @ 10% p.a. on diminishing balance method

- 6) **The Kanpur Shoe Company opened a branch at Delhi on 1st April 2010. From the following figures, prepare all the necessary accounts for the year ended 31st March, 2011 and Delhi Branch Account for the year ended 31st March 2012:**

K5(10)

	2010-2011 (Rs.)	2010-2012 (Rs.)
Goods sent to Delhi Branch	215000	645000
Cash sent to Branch for:		
Rent	31800	31800
Salaries	33000	45000
Other expenses	11200	21600
Cash received from the branch	324000	860000
Closing Stock	32300	65800
Closing petty cash in hand	1040	2030

- 7) **Jal Pratap commenced a voyage on 1st October, 2002 from Mumbai to London and back. The voyage was completed on 30th November, 2002. It carried a consignment of tea on its outward journey and of machinery on its return journey. The ship was insured and the annual premium was ₹ 24000. Prepare Voyage account from the following particulars:**

K4(12)

Freight outward.....	1,00,000	earned
Creditors.....		10,000
Freight earned (inward).....		70,000
Port Dues.....		5000
Building.....		30,000
Bunker Cost.....		25,000
Wages and salaries.....		55,000
Sundry expenses.....		16,000
Passage Money Received.....	10,000	
Stores purchased.....		5,800
Lighterage charges.....		6,600
Annual Depreciation.....		9600

Address commission : 5% on outward and 4% on return freight. Primage 5% on freight. Stores in hand were valued at ₹3000 on November, 2002. Manager is to get commission of 10% of net profit.

- 8) On 1st April, 2016, a firm purchased a machinery for ₹ 2,00,000. On 1st October in the same accounting year, additional machinery costing 1,00,000 was purchased. On 1st October, 2017, the machinery purchased on 1st April, 2016, having become obsolete, was sold off for 90,000. On 1st October, 2018, new machinery was purchased for 2,50,000 while the machinery purchased on 1st October, 2016 was sold for 85,000 on the same day. The firm provides depreciation on its machinery @ 10% per annum on original cost. Accounts are closed on 31st March every year. Evaluate machinery account, provision for depreciation account and depreciation account for the period of three accounting years ending 31st March, 2019. K5(15)
- 9) On April 01, 2010, Bajrang Marbles purchased a Machine for ₹1,80,000 and spent 10,000 on its carriage and ₹10,000 on its installation. It is estimated that its working life is 10 years and after 10 years its scrap value will be 20,000. (a) Evaluate Machine account and Depreciation account for the first four years by providing depreciation on straight line method. Accounts are closed on March 31st every year. (b) Prepare Machine account, Depreciation account and Provision for depreciation account (or accumulated depreciation account) for the first four years by providing depreciation using straight line method. Accounts are closed on March 31st every year. K5(15)
- 10) The Cash price of a machine is 37,400 on 1st April, 2016. Its hire-purchase price is 50,000. This hire-purchase price is paid in five annual instalments in the following manner: ₹15,000 at the end of first year: 12,000 at the end of second year, ₹10,000 the end of third year, 8,000 at the end of fourth year, 5,000 at the end of fifth year. Show the calculation of interest and prepare Hire-Vendor's Account in the books of Hire Purchaser. K6(18)