BCO-26 **BCO-26**

Sl. No.

II year B.Com. Degree Examination, October/November - 2024
FINANCIAL ACCOUNTING - II
(Non CBCS, SLM Scheme)

Time : 3 Hours **Maximum Marks : 80**

PART - A

Answer any Four questions. Each question carries 5 marks. **(4×5=20)**

1. Explain the Garner Vs Murray rule in the context of the dissolution of partnership.

2. What is farm accounting? What are its key features?

3. Write a note on Government Accounting.

4. Briefly explain the different kinds of partners.

5. Differentiate between Hire purchase system and Instalment purchase system.

6. Sri Krishna Mines Ltd. took a lease from a landlord for a period of 20 years from 1st January 2019 on a royalty of Rs. 10 per ton of iron ore raised with a minimum rent of Rs. 40,000 and power to recoup short workings during the first four years of the lease.

The annual output was as under.

Year	Out put in tons
2019	2000
2020	3000
2021	4000
2022	4500
2023	5000
2024	4000

Prepare Royalty Analytical Table in the books of Sri Krishna Mines Ltd.

PART - B

Answer any Three questions. Each question carries 10 marks. **(3×10=30)**

7. Discuss the significance of investment accounting and the treatment of cum-dividend and ex-divident transactions.

[P.T.O.

8. What is HR accounting? Describe the role and importance of human resources accounting in financial reporting.

9. A fire broke out in the warehouse of Merchantile Traders Ltd. on 30th September. 2023.

The company desires to file a claim with the insurance company for loss of stock. From the following information prepare a statement showing the amount of claim. The last accounts of company were prepared on 31-12-2022.

Particulars	**Amount**
Stock on 01.01.2023	Rs. 2,40,000
Sundry Debtors on 31.12.2022	Rs. 6,40,000
Sundry Debtors on 30.09.2023	Rs. 4,80,000
Cash received from Debtors	Rs. 23,04,000
Purchases from 01.01.2023 to 30.09.2023	Rs. 20,00,000
Rate of Gross Profit on Sales	25%

10. On 01-01-2021 Diyaan delivered to Sushith a machine on Hire Purchase System. Rs.5000 being paid on delivery and the balance in 5 installments of 5000 each, payable on 31st December every year. The cash price of the Machine was Rs. 25,000. The rate of depreciation is 10% pa on WDV method.

Show the Machinery Account and Diyaan Account in the books of Sushith assuming that he closes the books on 31st December every year.

11. From the following particulars of Rama Enterprises, prepare a Departmental Trading and Profit and Loss Account.

Particulars	**Dept. (A) Rs.**	**Dept. B (Rs.)**
Opening Stock	5,000	8,000
Purchases	20,000	16,000
Sales	45,000	30,000
Wages	3,000	2,000
Closing stock	12,000	10,000
Other Expenses :		
Office Salaries		24,000
Rent		3,200
Discount allowed		4,500
Discount earned		1,440
Power		1,600

Office staff appointed 10 persons in department A and 5 persons in department B. Area occupied 100 sq. ft. by department A and 60 sq. ft by department B.

PART - C

Answer any Two questions. Each question carries 15 marks. **(2×15=30)**

12. What is inflation accounting and why is it important? Discuss its impact on financial statements.

13. Define social responsibility accounting. Discuss its need and importance.

14. From the following particulars relating to Mysore Branch, prepare the Branch a/c in the books of head office for the year ended 31.12.2023

Particulars	**Amount (Rs.)**
Stock on 1.1.2023	30,000
Debtors on 1.1.2023	12,000
Petty Cash on 1.1.2023	200
Goods sent to Branch	50,000
Goods returned to H.O. I	600
Sales at Branch :	
Cash - 30,000	
Credit - 42,000 72,000	
Sales return at Branch	250
Bad Debts Written off	300
Discount allowed Customers	100
Branch Expenses paid by H.O.	3,000
Petty Cash sent at Branch	500
Petty Expenses at Branch	400
Furniture Purchased by the Branch	1,000
Stock on 31.12.2023	12,500

15. A and B are partners in a firm, sharing profits and losses in the ratio of 5:3. They admit A into the firm on 1st April 2023, when their Balance sheet was as follows.

liabilities	**Rs.**	**Assets**	**Rs.**
B "s capital	32,000	Goodwill	8,000
C "s capital	34,000	Machinery	38,000
General reserve	8,000	Furniture	5,000
Bank loan	6,000	Debtors	23,000
Creditors	6,000	Stock	7,000
		Bank	5,000
	86,000		**86,000**

Terms of A's admission were as follows:

a) A will bring Rs. 30,000 through cheque, as his share of capital and will be entitled to 1/3rd share in the profits.

b) A is not to bring goodwill in cash. B and C raise the goodwill in the books which is valued on the basis of 2 years purchase of the average profits of the last three years.

c) Average profits of the last three years are Rs. 6,000

d) Machinery and stock are valued at Rs. 45,000 and Rs. 8,000 respectively.

e) Goodwill is not be shown in the books of the new firm.

Prepare Revaluation A/c and partners capital A/c incorporating the above adjustments and also the Balance sheet of the firm after the above adjustments.

_____