

**U.G. 3rd Semester Examination - 2020****COMMERCE****[HONOURS]****Course Code : BCOM-H-CC-T-05****Course Title : Financial Accounting-2**

Full Marks : 60

Time : 2½ Hours

*The figures in the right-hand margin indicate marks.**Candidates are required to give their answers in their own words as far as practicable.*1. Answer any **ten** questions: 2×10=20

যে-কোনো দশটি প্রশ্নের উত্তর দাও :

- i) “A company cannot purchase its own shares.”  
State with reasons whether the statement is True or False.  
“কোনো কোম্পানী তার নিজের শেয়ার ক্রয় করতে পারে না”।  
— বিবৃতিটি সঠিক না ভুল যুক্তিসহ বর্ণনা কর।
- ii) What do you mean by underwriting of shares?  
শেয়ারের দায় গ্রহণ বলতে কি বোঝ?
- iii) What is Joint Life Policy in Partnership?  
অংশীদারী কারবারের Joint Life Policy কী?
- iv) What is dissolution of partnership firm?  
অংশীদারী কারবারের অবলোপন কি?

- v) What is meant by average clause?  
Average clause এর অর্থ কি?
- vi) Define independent branch.  
অনির্ভরশীল শাখার সংজ্ঞা দাও।
- vii) Distinguish between hire purchase system and instalment payment system.  
ভাড়াক্রয় ও কিস্তিবন্দিক্রয়-এর পার্থক্য বর্ণনা কর।
- viii) State the differences between Branch Account and Departmental Account.  
শাখাহিসাব ও বিভাগীয় হিসাবের পার্থক্য বর্ণনা কর।
- ix) What is indemnity period?  
Indemnity সময়কাল কাকে বলে?
- x) What do you mean by cum-interest and ex-interest purchase of investments?  
সুদসহ ও সুদহীন বিনিয়োগক্রয় বলতে কি বোঝ?
- xi) What is meant by bonus shares?  
বোনাস শেয়ার বলতে কী বোঝ?
- xii) What is Employees Stock Option Scheme?  
Employees Stock Option Scheme কি?
- xiii) Explain, in brief, the concept of ‘True and Fair View’.  
‘True and Fair View’ ধারণাটি খুব সংক্ষেপে বিবৃত কর।
- xiv) What is meant by ‘Profit Prior to Incorporation’?  
প্রাক্ নিবন্ধনের মুনাফা বলতে কি বোঝায়?

xv) Define Purchase Consideration.

ক্রয় প্রতিদানের সংজ্ঞা দাও।

2. Answer any **four** questions:  $5 \times 4 = 20$

যে-কোনো চারটি প্রশ্নের উত্তর দাও :

i) Prepare Departmental Trading and Profit & Loss Accounts as on 31st March, 2020 for MSW & Co. from the following:

	Department A	Department B	Department C
Stock as on 31st March, 2019	1,15,000	1,34,000	1,44,000
Purchases	5,50,000	4,70,000	3,90,000
Wages	73,000	52,000	41,000
Actual Sales (including sales at discount rate)	9,40,000	7,30,000	5,70,000
Sales at discount rate	70,000	50,000	40,000
Normal price of discount sales	60,000	43,000	35,000
Gross Profit on discount sales	30%	20%	25%

ii) D. Chakraborty & Co. holds 3,000 Debentures of Rs. 100 each @ 9% interest of HDFC Ltd. as on 1st April, 2019 at a cost of Rs.3,20,000. On 1st June, 2019, 2,500 Debentures are purchased cum-interest at Rs. 2,75,000. On 1st December, 2019, 3,900 Debentures are sold ex-

interest at Rs. 4,50,000. Interest is payable on 30th June and 31st December every year.

Prepare Investment Account for the year from 1st April, 2019 to 31st March, 2020, by valuing the closing stock under FIFO method.

iii) A fire occurred in the store room of a company on 11th December, 2020 and destroyed the stock. Following information for calculation of compensation from the insurance company is given below:

	Rs.
Stock as on 1st April, 2019	1,20,000
Stock as on 1st April, 2020	1,30,000
Purchase from 1st April, 2019 to 31st March, 2020	6,32,000
Purchase from 1st April, 2020 to the date of fire	3,70,000
Sales from 1st April, 2019 to 31st March, 2020	9,90,000
Sales from 1st April, 2020 to the date of fire	5,90,000
Direct Expenses from 1st April, 2019 to 31st March, 2020	1,70,000
Direct Expenses from 1st April, 2020 to the date of fire	50,000
Salvage value of stock was Rs. 31,000.	
Calculate the amount of insurance claim.	

- iv) The share capital of Sunshine Co. Ltd. consists of 20,000 Equity Shares of Rs. 10 each, fully paid up. The company also has following balances—

Profit & Loss Account (Cr.) Rs.50,000 ; General Reserve Rs. 12,000 and Securities Premium Account Rs. 20,000.

The company decides to issue one bonus share for every four shares held.

Show the necessary journal entries to give effect to the decision of the company.

- v) Sun, Moon and Star are partners of a firm, sharing profits and losses in the ratio 2:2:1. Capital of partners as on 1st April, 2019 are Rs.17,00,000, Rs.15,00,000 and Rs.12,00,000 respectively. The profit of the firm for the year from 1st April, 2019 to 31st March, 2020 was Rs.9,00,000. Partners are entitled to an interest @7% on capital. Since Star is managing the firm, he is allowed a salary of Rs.3,30,000 p.a. Sun draws Rs., 1,50,000 on 1st July, 2019; Moon draws Rs. 2,50,000 on 1st October, 2019, and Star draws Rs. 2,00,000 on 1st January. 2020. Rate of interest on drawings is 10% p.a. Balance of partner's current account as on 1st April, 2019

were Rs. 1,50,000, Rs.2,50,000 and Rs.4,00,000 respectively.

Prepare Profit & Loss Appropriation Account.

- vi) X Ltd. Made the following issue of debenture:
- a) For cash at 90% but payable at 110% - debentures of Rs. 50,000.
  - b) To a creditor who supplied machinery costing Rs. 5,00,000 - 5,500 debenture of Rs. 100 each.
  - c) To bank for a loan of Rs. 8,00,000 as collateral security - 10,000 debentures of Rs.100 each.

Journalise the above transactions.

3. Answer any **two** questions: 10×2=20

- i) Galaxy Bros. Purchased three cars from Mohan Motors Ltd. On 1st January, 2018 under hire purchase system. The cash price of each car was Rs. 4,50,000. According to the terms and conditions of the vendor, 10% of the cash price was to be paid on delivery and the balance amount in three equal yearly instalments payable at the end of each year together with interest @10% per annum.

Galaxy Bros. Writes off 10% depreciation on cars under diminishing balance method. They paid 1st and 2nd instalments in due time but failed to pay the last instalment. Mohan Motors Ltd. Agreed to leave two cars with Galaxy Bros. and take back the third one, adjusting the value against the amount due. The returned car was valued @ 30% depreciation under straight line method.

Mohan Motors Ltd. Sold the repossessed car for Rs.1,35,000 in cash on 1st January, 2021 after incurring repairing expenses of Rs. 24,000.

Prepare Cars Account and Mohan Motors Ltd. Account in the books of Galaxy Bros. and Reposed Cars Account in the books of Mohan Motors Ltd.

- ii) Reliance Ltd. Invited applications for 50,000 equity shares of Rs. 100 each at a premium of 10%, payable as Rs. 25 on application, Rs. 50 on allotment (including premium) and the balance amount in first and final call.

Applications were received for 60,000 equity shares. Application money for 10,000 shares was subsequently refunded. Allotment was made in full to all other applicants. All money due were received except the first and final call money

on 500 shares hold by Mr. X. These shares were forfeited. Of these forfeited shares, 300 shares were re-issued at Rs.105 as fully paid up.

You are required to show necessary entries in the Cash Book and Journal of Reliance Ltd.

- iii) A, B and C are partners of a firm sharing profits and losses in the ratio of 5:3:2. The Balance Sheet of the firm as on 31st March, 2020 is stated as follows:

<b>Balance Sheet as on 31st March, 2020</b>			
<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Capital Accounts:		Land & Building	29,80,000
A 26,00,000		Plant & Machinery	34,00,000
B 24,00,000		Furniture & Fixture	8,00,000
C <u>20,00,000</u>	70,00,000	Investments	4,20,000
Reserve	4,20,000	Goodwill	1,40,000
Current Account:		Stock	2,70,000
- A 2,60,000		Sundry Debtors 2,60,000	
- B <u>2,20,000</u>	4,80,000	Less: Provision <u>30,000</u>	2,30,000
Bank Loan	5,80,000	Cash	2,80,000
Sundry Creditors	2,20,000	Current Account:	
		-C	1,80,000
	<b>87,00,000</b>		<b>87,00,000</b>

The firm was dissolved as on 31st March, 2020. Land & Building was sold for Rs. 25,00,000; Plant valued at Rs. 8,00,000 was taken over by B and the remaining Plant was sold for Rs. 23,00,000; Furniture worth Rs. 3,80,000 was taken over by C for Rs. 2,60,000 and the remaining furniture & fittings was sold for Rs. 3,40,000; Investments realised Rs. 3,80,000; Stock and Debtors realised as Rs. 2,20,000 and Rs. 1,94,000 respectively. Bank loan was settled by Rs.5,40,000. Sundry creditors were paid with a discount of 10%. Realisation expenses amounted to Rs. 25,000.

Prepare necessary ledger accounts.

- iv) Tree Ltd. has its head office in Kolkata and three branches in Mumbai, Hyderabad and Bhopal. Goods are invoiced by the head office to its branches at selling price which is cost plus 25%. During the year ended 31st March, 2021 transactions of the head office with its Bhopal branch are given below-

Goods invoiced	Rs. 1,48,000
Cash Sales	Rs. 34,000
Credit Sales	Rs.62,000

Invoice Price of goods returned by branch	Rs. 4,000
Goods returned by customers	Rs.2,000
Discount allowed by branch to its customer	Rs.2,400
Opening Stock at invoice price	Rs.30,000
Closing Stock at invoice price	Rs.78,000

The branch remitted to its head office Rs. 77,200 being the amount of cash sales and receipts from customer. The branch had debtors of Rs.24,000 at the beginning. Loss through pilferage was ascertained to be Rs.2,000 ( invoice price).

Show necessary ledger accounts to record the above transactions in the books of head office.