

ACTIVITY CODE: 1903038021

B.Com. 6th Semester (Programme) Examination, October 2020

COMMERCE

Course ID: 61214

Course Code: BCOMP 603GE-2

Course Title: Financial Accounting - II

Full Marks: 20

Time:1 Hour

The figures in the right hand side margin indicate marks.

Candidates are required to give their answers in their own words as far as practicable

1. Answer any two of the following questions: 5×2=10

a) State the objectives of preparing Branch Accounts. 5

b) Write short notes on : [i] Shortworkings and [ii] Minimum rent. 2+3

c) Briefly explain the Garner Vs. Murray rules with examples. 5

d) A, B and C are partners sharing profits and losses in the ratio of 5 : 3 : 2. A retires and goodwill is valued at Rs. 54,000. New profit sharing ratio of the continuing partners will be equal. Pass the necessary journal entry.

e) On 1st January, 2016 XYZ Ltd., delivered to Ratan a machine on hire purchase system, Rs. 5000 is being paid on delivery and the balance in three instalments of Rs. 6000 each, payable annually on 31st December. The cash price of the machine was Rs. 20000.

Show Ratan's account in the books of XYZ Ltd. Assuming that the accounts are closed on 31st December. 5

f) Tanaya and Sumit are partners in a firm sharing profit and loss in the ratio of 3: 1. They admitted Gauri as a new partner for 1/5th share in the profit. Gauri brings Rs. 20,000 for her share of goodwill. The new profit sharing ratio will be 3 : 1 : 1.

Make journal entries for goodwill in the books of the firm after the admission of Gauri. 5

2. Answer any one of the following questions: 10×1=10

a) Mr. X, who had patented a vacuum cleaner, granted Pee Bee Ltd. a licence on 1st January, 2011 for 10 years to manufacture and sell the cleaner on the following terms:

i) Pee Bee Ltd. to pay a royalty @ Rs.10 per unit of vacuum cleaner sold with a minimum rent of Rs. 20000 p.a.

ii) The shortfall in any year may be recouped from any excess of royalties over the minimum rent in the next two years

iii] The number of cleaner sold for the first four years was as follows:

Year	No. of units sold
2011	400
2012	2200
2013	3200
2014	3800

iv) Accounts to be settled annually on 31st December.

You are required to show the following ledger accounts recording the above transaction in respect of royalties in the books of Pee Bee Ltd. :

i) Royalties Account

ii) Shortworkings Account, and

iii) Mr. X Account.

10

b) (i) Define Hire Purchase.

(ii) Distinguish between hire purchase system and instalment payment system.

2+8
