



QP CODE: 24020551



Reg No :

Name :

**B.A DEGREE (CBCS) REGULAR / IMPROVEMENT / REAPPEARANCE
EXAMINATIONS, MAY 2024**

Second Semester

B.A Corporate Economics Model III

Core Course - EC2CRT07 - FINANCIAL ACCOUNTING - II

2017 ADMISSION ONWARDS

227A7D1F

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is cash in transit?
2. What is Department?
3. What do you mean by 'Sharing of profit' in the case of Partnership business?
4. When the partners' capitals are fixed, where the drawings made by a partner will be recorded? Why?
5. What are the 2 main rights acquired by a newly admitted partner?
6. What do you mean by interest on drawings?
7. What do you mean by Change in profit sharing ratio?
8. What is Sacrificing ratio?
9. Explain the term 'Incoming Partner'.
10. Who is an Outgoing partner?
11. What is Dissolution of Partnership?
12. What are the reasons of preparing revaluation account?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. What are the objectives of keeping Branch Accounts?
14. From the following information, prepare Departmental Trading accounts of AB Ltd.

	Finance Department	Marketing
Department		
Opening stock :	Rs.1,00,000	80,000
Wages :	Rs.5000	3,000
Sales :	Rs. 80,000	70,000
Closing stock :	Rs.50,000	20,000

15. What are the various items of Departmental Trading account?
16. Differentiate between Fixed capital account and fluctuating capital account.
17. Ram and Shyam are partners with a capital of Rs.1,00,000 and 1,60,000 on January 1, 2016 respectively. Ram introduced additional capital of ` 30,000 on July 1, 2016 and another ` 20,000 on October 31, 2016. Calculate interest on capital for the year ending 2016. The rate of interest is 9% p.a.
18. Compute the value of goodwill on the basis of four years purchase of the average, profits based on the last five years.
The profits for the last five years were as follows:

Years	Profits
1999	30,000
2000	35,000
2001	40,000
2002	40,000
2003	50,000
19. Ashiq and Amal are partners in the ratio of 3:4.They admit Binit as a new partner for 1/7th share in the profits. On that date there was a debit balance of Rs.14,000 in the profit and loss account. Show necessary journal entries.
20. What are the adjustments taken of when a partner is retired from the firm?
21. Shemin, Rose and Cheriyan are partners in the ratio of 1:2:3.Rose retires and it was decided to adjust the capitals of Shemin and Cheriyan in their profit sharing ratio.The capital account of Shemin and Cheriyan showed a balance of Rs.40000 and Rs.80000 respectively after making all adjustments relating to revaluation ,goodwill, accumulated profit etc.You are required to calculate the new capital of the partners and record necessary entry.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.





22. From the following particulars relating to Thane Branch of Narasimham and Sons, Prepare Branch Account in the books of Head Office.
- Stock at branch on 1/4/2016 (Opening) - 50000
Petty cash at branch on 1/4/2016 (Opening) 1000
Furniture on 1/4/2016 (Opening) 20000
Goods sent to branch during the year 500000
Cheque sent to Branch for:
Salary 18000
Rent 3000
Petty cash 2000
Goods returned by branch 25000
Cash sales 400000
Stock 31/03/2017 (Closing) 120000
Furniture purchased on 1/10/2016 25000
Depreciate furniture @10%. Petty cash is maintained under imprest system.
23. Explain about
- Partnership business with features
 - Partnership Agreement and contents.
24. Jerin, Jelil and Manju are partners in the ratio of 3:2:1. Jelil retires as per the agreement. For this purpose, goodwill is valued at two years purchase of average profits of last three years. The profits for the last three years are as under:
- | | | |
|-------------|---|------------|
| First year | : | Rs.15, 000 |
| Second year | : | Rs.19, 000 |
| Third year | : | Rs.20, 000 |
- Record necessary journal entries for goodwill on retirement of Jelil.
25. Explain the Modes of Dissolution.

(2×15=30)

