

FYBCOM (FINANCIAL MANAGEMENT) Sem II

Date: 13/11/19

Marks: 75

Q.1 A) Multiple Choice questions. (Any 8)

(8)

1. Hire purchase price =

- a) Cash price + Down payment
- b) Cash price + Interest
- c) Cash price – Downpayment
- d) Cash price – Interest

2. Lighting is allocated on the basis of _____ each department.

- a) No of points
- b) Floor area
- c) No of employees
- d) Wages

3. Branch account under Debtors system is a _____

- a) Real account
- b) Personal account
- c) Nominal account
- d) Representative personal account

4. Stock reserve in relation to closing stock appears _____

- a) on the debit side of branch A/c
- b) on the debit side of P&L A/c
- c) on the credit side of branch A/c
- d) on the credit side of P&L A/c

5. _____ is the purchase price payable if full payment is made immediately.

- a) Market price
- b) Hire purchase price
- c) Cash price
- d) Down payment

6. Fixed capital A/c is credited with

- a) Interest on capital
- b) Salary of the partner
- c) Profit of the year
- d) None of the above

7. Which of the following expenses is a direct expense in departmental accounting ?

- a) Purchase expenses
- b) Advertising expenses
- c) Administrative expenses
- d) Depreciation

8. As soon as _____ payment is made the hirer gets possession of the article and can start using it immediately.

- a) Down
- b) Cash
- c) Full
- d) Last

9. In absence of an agreement , partners are entitled to

- a) Salary
- b) Interest on loans and advances
- c) Commission
- d) Profit share in capital ratio

10. Under Hire purchase system, the buyer becomes the owner of goods immediately after

- a. Receipts of goods
- b. Payment of 1st Instalment
- c. Signing of agreement
- d. Payment of last Instalment

Q 1 B) State true or false. (any 7)

(7)

1. Branch stock account is always prepared at cost price.
2. Down payment means the total amount payable by the hirer.
3. Partners always share profits equally.
4. Rent of the building is allocated on the basis of no of employees of each department.
5. Depreciation is apportioned equally in all departments.
6. Under the stock & Debtors system branch stock account is real account.
7. Hire purchase agreements normally last more than one year.
8. Building expense and depreciation expense are both examples of indirect expenses.
9. When you buy something with Hire purchase you become the owner after all the instalments are paid.
10. It is compulsory for a partner to contribute capital.

Q. 2. A firm has two departments X and Y. From the following figures prepare the Departmental Trading and profit and Loss Account for the year ended on 31st December 2016.

Particulars	Dept X	Dept Y
Opening stock	40,000	50,000
Purchases	1,50,000	1,00,000
Sales	2,50,000	1,50,000
Salaries	16,800	12,000

Particulars	Amount (₹)
General salaries	20,000
Carriage Inward	10,000
Carriage Outward	16,000
Advertising	12,000
Rent and Rates	18,000
Interest on Bank Loan	5,000
Lighting	2,400
Discount Received	3,000
Insurance	2,000

Area occupied by the two departments is in the ratio of 2:1. General Salaries are to be allocated equally. Insurance premium is for a comprehensive policy, allocation being inconvenient. Closing stock were for X ₹ 36,0000 and for Y ₹ 40,000.

(15)

OR

Q.2. Jay purchased a printing machine from Ashok printers on Hire purchase basis on 1st July 2018. The terms of the contract were as follows:-

1. The cash price of the machine was ₹1,50,000.
2. ₹ 30,000 was paid on signing the contract on 1st July 2018.
3. The balance was paid in instalment of ₹ 40,000 plus interest at 15% p.a.
4. The instalment were paid on 31st December every year commencing from 31st December 2018.

Jay charged depreciation at 20% p.a. under SLM. They closed their books on 31st December. Show in the books of Jay necessary accounts. (15)

Q.3. Gupta Traders of patna have their branch at Mumbai. Prepare the necessary accounts in the books of the Head office from the following transactions with the branch. (15)

Particulars	₹	Particulars	₹
Opening Balances:		Closing Balances:	
- Petty cash at Branch	1,250	- Petty cash at Branch	1,880
- Stock at Branch	77,000	- Debtors at Branch	1,26,150
- Debtors at Branch	41,250	- Stock at Branch	57,880
Goods sent to Branch during the year	3,78,000	Discount allowed to customers	1,060
Amount remitted to the Branch:		Amount remitted by the Branch:	
- For petty cash expenses	7,500	- Cash Sales	26,250
- For salary	18,500	- Realisation from Debtors	4,10,350
- For Rent and Taxes	6,000	Mr Sharma to whom goods were sold by Branch directly remitted the amount to H.O.	9,000

OR

Q.3. Raj agency is having a branch in Mumbai. Goods are invoiced to branch at 25% profit on sale. Branch has been instructed to send all cash daily to Head office. All expenses are paid by head office except petty cash expense, which are met by the branch. From the following particular prepare Branch account in the books of Head Office:

Particulars	Amount (₹)
Stock as on 01/04/2013 (Invoice price)	4,00,000
Cash in Hand as on 01/04/2013	10,000
Sundry Debtors as on 01/04/2013	2,50,000

Office furniture as on 01/04/2013	40,000
Goods invoiced from HO (Invoice price)	18,00,000
Goods return to HO (Invoice price)	60,000
Goods returned by debtors	12,500
Cash received from debtors	6,50,000
Cash sales	12,00,000
Credit sales	7,00,000
Discount allowed	3,000

Particulars Amount (₹)

Expense paid by HO:

Salary	40,000
Staff welfare	7,500
Telephone expenses	40,000
Other petty expenses paid by branch	7,000
Stock as on 31/03/2014 (Invoice price)	3,50,000

Depreciation to be provided on furniture @ 10% p.a.

(15)

Q.4 From the following prepare Departmental Trading and Profit and Loss Account for the year ended 31-12-2015

Particulars	Dept X	Dept Y	Total
Opening stock	15,000	14,000	29,000
Purchases	35,000	30,000	65,000
Sales	60,000	50,000	1,10,000
Wages	6,000	4,000	10,000
Salaries	-	-	9,390
Lighting & Heating	-	-	3,100
Discount allowed	-	-	650
Discount Received	-	-	2,200
Advertising	-	-	3,680
Carriage Inwards	-	-	2,340
Furniture & Fittings	-	-	5,000

Rent , Rates , Taxes & Insurance	-	-	2,100
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The following information is also provided :

1. Internal transfer of goods from Dept X to Dept Y ₹ 2,000.
2. The items Rent, Rates and Insurance , Lighting & Heating , Salaries & Carriage inward to be apportioned 2/3 to Dept X and 1/3 to Dept Y.
3. Advertising to be apportioned equally.
4. Discount allowed and Discount received are apportioned on the basis of departmental sales & Purchases.
5. Depreciation @ 10 % on Furniture & Fixtures to be charged 3/4 to Dept X and Dept Y.
6. Stock as at 31st December 2015: Department X : ₹ 17,000
Department Y: ₹ 15,000

(15)

OR

Q.4 The following trial balance of firm as on 31st December 2015:

Debit	₹	Credit	₹
Cash	29,700	Creditors	40,500
Debtors	93,000	Sales	5,40,000
Rent and Rates	17,700	Capital	
Salary	36,000	P	72,000
Sundry Expenses	15,600	Q	36,000
Stock	75,000	R (including Goodwill)	12,000
Purchases	3,30,000		
Sundry Assets	31,500		
Drawings:			
P	45,000		
Q	22,500		
R	4,500		
	7,00,500		7,00,500

Adjustments:

1. P and Q were partners sharing profits & Losses equally.
 2. Mr R was admitted to the partnership on 1st July 2015.
 3. On 31st December, 2015 stock was valued at ₹ 70,500.
 4. Rent and Rates paid in advance ₹ 700.
 5. Sundry expenses were outstanding ₹ 400.
 6. Depreciate sundry assets by 20% p.a.
 7. Goodwill of the firm was valued at ₹ 6,000 on 1st July 2015 and not to appear in Balance sheet.
 8. Interest on capital to be charged at the rate of 10% p.a.
- You are required to prepare Trading, Profit and Loss A/c for the year ended on 31st December, 2015 and Balance sheet as on that date.

Q.5 Write short notes . (any 3)

(15)

1. Departmental Accounting
2. Hire purchase agreement
3. Dependent branch
4. Credit purchase Method.
5. Fluctuating Capital Method.

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