DEPARTMENT OF B.COM (BANK MANAGEMENT)

SUBJECT: FINANCIAL ACCOUNTING 11

SUB.CODE . BM 203Q

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Unit 1

Average due date and account current
Average due date – meaning of average due date – uses of average due date – basic problems in average due date – calculation of interest-Account current – counting of days – methods of calculation interest – simple problem.

PART A (2 Marks each}

1. What is average due date?
2. State the basic problems in average due date?
3. Expand ADD.
4. How to compute Average due date?
5. What is Account Current?
6. State the methods of calculation of interest under Account current.
7. How to compute interest under Average due date?
8. Explain the meaning of Red ink interest.

PART B (5 Marks each}

1. What are the uses of Average due date?
2. Explain the different methods of computing interest in Account current
3. Gomathi purchased goods from Kumar, the due dates for payments in cash being as follows.

	Rs.	
March 15	1000	Due 18th April

April 21 1500 Due 24th may

April 27 500 Due 30th June

May 15 600 Due 18th July

Kumar agreed to draw a bill for the total amount due on the average due date Ascertain that date

4. Average due date -Problem no.01 to 26 page no 7.17 to 7.24 – Text book T.S. Reddy &Dr.A.Murthy.
5. Account current - Problem no.01 to 16 page no 8.12 to 8.17 – Text book T.S. Reddy &Dr.A.Murthy.

PART C (10 Marks each}

1. R owes S the following sums of money due from him on the dates stated.

Rs. 300 due on March 9, 2013

Rs. 1,000 due on April 2, 2013

Rs. 4,000 due on April 30, 2013

Rs. 100 due on June 1, 2013

He wants to make the complete payment on 30.6. 2013. Calculate interest at 5% p.a. with the help of Average due date method.

2. A partner has withdrawn the following sums of money during the half year ending 30.6.2014.

Jan 15 Rs.300

Feb 18 Rs.250

Mar 10 Rs.150

Mar 26 Rs. 200

April 20 Rs.400

May 16   Rs.300

June 8   Rs. 500

3. Averages due date- Problem no.01 to 26- page no 7.17 to 7.24 – Text book T.S. Reddy &Dr.A.Murthy.
4. Account current - Problem no.01 to 16 page no 8.12 to 8.17 – Text book T.S. Reddy &Dr.A.Murthy.

Unit 2

Branch account
Branch – meaning – types of branches – department branches – difference between branch and department – preparation of trading account of branches under debtor system – stock and debtors system – whole sale branch system and final account systems.

PART A (2 Marks each}

1. What is Dependent branch?
2. Define Branch Accounts
3. What are the features of dependent Branches?
4. What do you understand by stock and debtor system?
5. What are the different kinds of branches?
6. What do you understand by wholesale branch?

PART B (5 Marks each}

1. What are the objectives of Branch accounts?
2. Distinguish between branch and departmental Accounts.
3. . Fancy clothes limited opened a branch on 1st January, 2008 at Delhi. The figures given below are for the year 2008

	Rs

Goods sent to Branch	25,000
Cash sales	10,000
Credit sales	18,000
Cash received from debtors	16,000
Discount allowed to them	300
Cash sent to Branch for expenses	3,500
Stock on 31st December 2008	4,000

.Prepare Branch account

4. From the following particulars relating to Hyderabad branch for the year ended

31.12.2014. Prepare Branch A/c in the head office books.

Stock at branch on 1.1.2014 Rs. 15,000

Debtors at the branch on 1.1.2014 Rs. 30,000

Petty cash at the branch on 1.1.2014 Rs. 300

Goods sent to branch during 2014 Rs. 2,52,000

Cash sales 2014 Rs. 60,000

Received from debtors 2014 Rs. 2,10,000

Credit Sales 2014 Rs. 2,28,000

Cheque sent to branch during 2014

for salaries 9,000

for Rent & Rates 1,500

for petty cash Rs.1,100

Stock at the branch 31.12.2014 Rs. 25,000

Petty cash 31.12.2014 Rs. 200

Goods returned by the branch Rs. 2,000

Debtors on 31.12.2014 Rs. 48,000

5. Problem no.01 to 09 page no 16.56 to 16.60
   Problem no.12 to 16 page no.16.61 -16.63.
   Problem no.22 to 37 page no.16.66 -16.73
   – Text book T.S. Reddy &Dr.A.Murthy.

PART C (10 Marks each}

1. SS company at Delhi has a branch at Erode. Goods are sent to branch at invoice price, which is cost plus 33.33%. From the following prepare Branch account at cost price

Opening stock (invoice price) Rs. 15,000

Opening Debtors Rs.11,140

Goods sent to branch (invoice price) Rs.67,000

Sales at branch (Cash) Rs.31,000

Sales at branch (Credit) Rs. 37,400

Cash received from debtors Rs.40,000

Cheque sent to branch for expenses Rs. 6,700

Closing stock at branch (invoice price) Rs.13,400

2 Problem no.01 to 09 page no 16.56 to 16.60

Problem no.12 to 16 page no.16.61 -16.63.

Problem no.22 to 37 page no.16.66 -16.73

– Text book T.S. Reddy & Dr.A.Murthy.

Unit 3

Departmental accounts
Introduction – allocation of expenses – calculation department purchase interdepartmental transfer at cost price – selling price – preparation of trading and profit and loss a/c of the department

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PART A (2 Marks each}

1. What do you mean by Departmental accounting? 7.
2. Give the meaning of Interdepartmental transfer
3. What is department? Give examples
4. List out the basis for allocation and apportionment expenses under departmental accounting

PART B (5 Marks each}

1. What are the bases on which expenses are apportioned among departments?
2. Explain the procedure for preparation of departmental account.
3. Apportion the following expenses on the basis of cost of goods sold ratio among the four departments , A,B, C and D

Sales Rs. A: 2,00,000; B – 1,50,000; C – 1,00,000; D – 4,50,000

Gross profit ratio : 20% on sales

Expenses:

Salaries Rs. 6,000

Rent and rates Rs. 1,500

Insurance Rs. 1,300

4. A firm earned net profits during the last three years as follows. I year – Rs. 36,000 II year – Rs. 40,000 III year – Rs. 44,000

The capital investment of the firm is Rs. 1,20,000. A fair return on the capital having regard to the risk involved is 10%. Calculate the value of goodwill on the basis of 3 years purchase of super profits.

5. Describe the different modes in which a partnership firm may be dissolved.
6. The following purchases were made by a firm having three department.

Dept – A - 1000 Units

Dept – B - 2000 Units

Dept – C - 2400 Units

At total cost of Rs.1,00,000.

Opening stock and Sales respectively were

Dept – A - 120 Units, 1020 Units @ Rs. 20 each

Dept – B - 80 Units, 1920 Units @ Rs. 22.50 each

Dept – C - 152 Units, 2496 Units @ Rs. 25 each

The rate of gross profit is same in all departments. Prepare the Departmental trading account.

7. Problem no.01 to 07 page no 17.19 to 17. 21

   Problem no.01 to 05 page no.17.21 -17.23.

   – Text book T.S. Reddy &Dr.A.Murthy.

PART C (10 Marks each}

1. From the following particulars, prepare the Departmental Trading and Profit and Loss account for the year ending 31st March, 2007

	Dept. X	Dept. Y
	Rs.	Rs.
Opening stock	9,000	8,400
Sales	42,000	36,000

Purchases	27,000	21,600
Direct expenses	5,490	8,520
Postage	360	360
Closing stock	10,800	4,800

Indirect expenses for the entire business were Rs. 3,900 which are to be divided in the proportion of sales of the two departments

2. A company has two department A and B. Dept A supplies goods to Dept B at its usual selling price. From the following figures prepare departmental trading A/c for the year 2014.

Particulars	Dept. A	Dept. B
Opening Stock	30,000	__
Purchases	2,10,000	__
Transfer to B	50,000	50,000
Sales	2,00,000	60,000
Closing stock	40,000	10,000

3. Problem no.06 to 11 page no 17.24 to 17.27

– Text book T.S. Reddy & Dr.A.Murthy.

Unit 4

Admission and retirement of partners
Accounting treatment – admission of partners – retirements of partners – death of partners – adjustments regarding profit sharing ratio, goodwill and capital.

PART A (2 Marks each}

1. What do you understand by Admission of a partner?
2. What is Profit sharing ratio?

3. What is super profit?
4. X and Y are partners. sharing profits ratio 3:2 X is admitted for share which he is equally sacrifice from both X and Y. Find out the new ratio of partners
5. What is sacrificing ratio?
6. What is gaining ratio?
7. How will you treat goodwill when a partner retires?

PART B (5 Marks each}

1. A firm earns Rs. 1,40,000 as its annual profits the rate of normal profit being 10%. The asset, of the firm amount to Rs. 15,50,000 and liabilities to Rs.5,00,000. Find out the value of goodwill by capitalization method

2. P and Q are partners sharing profit and losses in the ratio of 5:3. They admit R into partnership R bring 12,000 as premium for goodwill. The new ratio beings 3:2:1. Goodwill a/c appears at its full value in the books. Journalise
3. Problem no.01 to 11 page no 22.88. to 22.99
   Problem no. 01. to 15 page no. 23.72 to 23.73

– Text book T.S. Reddy &Dr.A.Murthy.

PART C (10 Marks each}

1. Problem no.01 to 09 page no 22.103 to 22.108

Problem no.02 to 07 page no.23.74 -23.78.

Problem no.23 to 32 page no.23.89 -23.93

– Text book T.S. Reddy &Dr.A.Murthy.

Unit 5

Dissolution of partnership
Dissolution of firm – models of dissolution – insolvency of a partner – garner Vs murray rule – insolvency of all partner – piecemeal distribution – proportionate capital methods – maximum loss method.

PART A (2 Marks each}

1. What do you mean by Dissolution of a partnership firm?
2. What do you mean by Dissolution by Agreement?
3. What is Realization account?
4. What is Piecemeal distribution?
5. Who is an insolvent partner?
6. What do you understand by " Garner vs Murray" rule?
7. What is proportionate capital method?
8. What is maximum loss method?

PART B (5 Marks each}

1. What do you understand by Piece meal distribution? Explain the methods of making such distribution.
2. Problem No. 01 to 09 page no. 24.49 to 24.51

– Text book T.S. Reddy &Dr.A.Murthy.

PART C (10 Marks each)

1. A partnership firm has three X,Y,Z with capitals as X Rs.80,000, Y Rs.40,000 Z Rs. 40,000. The partners shares profits and losses in the ratio of 3:2:1. You are required to calculate absolute surplus capital under proportionate capital methods of piecemeal distribution
2. Describe the different modes or ways in which a partnership firm may be dissolved.
3. Problem No.01 to 07 page no. 24.51 to 24.54
   Problem No.18 to 23 page no. 24.61 to 24.63
   Problem No.31 to 35page no. 24.67 to 24.69
   Problem No.37 to 43 page no. 24.70 to 24.73

– Text book T.S. Reddy &Dr.A.Murthy.