

THREE YEAR B.Com. (Comp.) (CBCS) DEGREE EXAMINATION, MARCH/APRIL 2019.

SECOND SEMESTER

ACCOUNTING – II

(W.e.f. 2016–17 Admitted Batch)

Time : Three hours

Maximum : 75 marks

(No additional sheet will be supplied)

SECTION A — (5 × 5 = 25 marks)

Answer any FIVE questions.

Each question carries 5 marks.

1. Need for providing deprecation.
2. What is original cost method? What are its merits?
3. How is provision different from Reserve?
4. What are secret reservers? What are their merits?
5. Define bill of exchange. Give its essentials.
6. Write any five differences between bill of Exchange and a promissory note.
7. Distinction between consignment and sale.
8. What is Account sales?
9. What is joint venture. What are its characteristics.
10. Distinction between joint venture and Partnership.

SECTION B — (5 × 10 = 50 marks)

Answer ALL questions.

Each question carries 10 marks.

11. Siddiqu Co, purchased second hand machinery on 1st January 2014 for Rs. 20,000 and immediately spent Rs. 5,000 on over hauling. On 1st July 2014 additional machinery costing Rs. 12,000 was purchased. On 1st July 2016, the machinery acquired on 1st Jan, 2014 was sold for Rs. 6,000. On the same day another machinery was purchased at a cost of Rs. 25,000 provide depreciation annually on 31st December @ 10% on straight Line method. Show the machinery account that would appear at the end of each year from 2014 to 2017.

Or

12. Vijay Purchased machinery for Rs 47,000 and spent Rs. 3000 for installation on 1.4.2010. On 1st July 2011 he purchased another machinery for Rs. 30,000. On 30th June 2012 he sold the machinery purchased on 1st April 2010 for Rs. 35,000 and purchased another machinery for Rs. 40,000. He deprecate machinery at 10% on Reducing balance method and closes his books on 31st December every year. Show machinery Account upto 31st December 2012.

		Rs.
Jan 1	Provision for Bad and Doubtful Debts	8,000
	Provision for discount on debtors	2,000
Dec 31	Bad debts written off during the year	6,000
	Discount allowed during the year	1,800
	Sundry debtors	51,000

Write off further bad debts for Rs. 1,000 Make a provision for discount on debtors @ 2 1/2 % and also make a provision for Bad Debts @5% on Debtors show the relevant Account.

Or

14. A firm desire to debit its profit and loss account with a uniform figures every year in respect of repairs and renewals. In creating a repairs and Renewals provision by charging Rs. 45,000 every year. Actual repairs were Rs. 4,500 in 2011 Rs. 12,000 in 2012 and Rs. 16,500 in 2013 show the provision for repairs and Renewal account.
15. Sridevi draws a bill on Kapoor for Rs. 10,000 on May 5, 2015 ON return of acceptance by Kapoor
- Sridevi retain the bill with her
 - Sridevi discounts the bil with her bank for Rs. 9,600
 - Sridevi endorses the bill to Balu
 - Sridevi sends the bill to the bank for collection.

On the due date the bill is dishonoured pass the journal entries in the books of Sridevi.

Or

16. Saritha purchased goods from Geetha on Credit for Rs.12,000 on 1st April 2015. This debt was discharged by accepting a bill dated 15th April 2015 for 3 months. On the due date Saritha requested Geetha to accept Rs. 4,000 in cash and draw a bill for the blance for a further period of 3 months for which Geetha agreed provided that interest for the balance is paid in cash at 9% p.a Saritha agreed to this agreement. On 21st October 2015, Saritha dishonoured the second bill and noting charges amounted to Rs. 200. Write up journal entries in the books of Geetha.
17. Kamal of Kadapa Consigned 500 cell phones to Anand of Anantapur to be sold on his account and at his risk the cost of one cell phone was Rs. 200 Kamal paid Rs. 5,500 as freight and insurance and received Rs. 40,000 as advance from Anand. Anand paid Rs 1,000 as Octroi and Cartage, Rs 1,500 as rent and Rs 1,200 as insurance. 410 cell phones were sold by Anand for Rs. 1,10, 000. Anand was entitled to a commission of 5% on safe @250 per cell phone and 25% of any surplus price realised prepare Ledger accounts in the books of consignor.

Or

18. Madhu Co. of Mumbai sent on consignment 500, cycles to Jaya Co, of Jaipur at a price of Rs. 3,200 each. Madhu Co, paid freight amounting to Rs 36,000. In transit 50 cycles totally damaged and became unsalable. Jaya Co. took delivery of the remaining cycles. They paid godown rent Rs. 5,100 and insurance 3,000. They sent account sale showing that 300 cycles were sold at Rs. 4000 each and the balance at Rs. 3,800 each. They have incurred Rs. 2,100 on sales campaign on behalf of Madhu Co. They were entitled to 5% commission on total sales. Prepare Ledges accounts in the books of Madhu & Co.
19. A & B were entered in to a joint venture, sharing profit and lossers in the Ratio of 10:9 respectively. Each party maintain a complete record in his own books. A supplies goods to the value of Rs. 25,000 and incur an expenditure of Rs. 500 on them and B Supplies goods to the extent of Rs. 21,000 and his expenses there on amounted to Rs. 1000. A sells all the good for Rs. 70,000 for which he is entitled to receive a commission at 5% Accounts are settled by bank draft. Prepare necessary accounts in the books of 'A'.

Or

20. P & Q undertake jointly to construct a building for X It for a contract price of Rs. 80,000 the price was to be paid Rs. 60,000 in cash and the balance in shares of 'X' Ltd. A bank account was opened jointly. P & Q contributing Rs. 25,000 and Rs. 20,000. They agreed to share profit or loss in the proportion of 2/3 and 1/3 respectively. The Joint venture transactions were as under.

Materials purchased Rs. 38,000, wages paid Rs. 22,000 Establishment Expenses Rs. 4,000.

The contract was completed and the price received. The shares were sold for Rs. 17,000, Q took away the unused material at Rs 1,100 show the necessary accounts in the books of joint venture.