

Reg. No. :

Name :

MSN INSTITUTE OF
MANAGEMENT & TECHNOLOGY
LIBRARY
MUKUNDAPURAM P.O.
CHAVARA, KOLLAM-691585

Third Semester B.Com. Degree Examination, March 2021

First Degree Programme under CBCSS

**Core Course : CO 1342/CX 1342/TT 1342/HM 1342/CC 1343
ADVANCED FINANCIAL ACCOUNTING**

**(Common for Commerce, Commerce and Tax Procedure and
Practice/Commerce and Hotel Management and Catering/Commerce and
Computer Application, Commerce and Tourism and Travel Management)**

(2019 Admission Regular)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in one or two sentences each. Each question carries **1** mark.

1. What do you mean by dissolution of partnership?
2. What do you understand by unrecorded assets?
3. What is fluctuating capital?
4. Who is an active partner?
5. Who is a consignor?
6. What do you understand by account sales?.
7. What are inter-departmental transfers?

P.T.O.

8. What do you mean by remittance-in-transit?
9. What do you understand by branches?
10. What is abridged incorporation?

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions in not exceeding one paragraph each. Each question carries **2** marks.

11. What are the advantages of registration of a partnership firm?
12. What are the different kinds of partners?
13. What do you understand by “piecemeal distribution”?
14. What is the need for consignment?
15. What is proforma invoice?
16. Briefly explain abnormal loss in consignment.
17. What do you understand by *del-credere* Commission? How is it calculated?
18. Give two examples of businesses in which joint venture are generally used.
19. Name the methods of keeping Joint Venture accounts.
20. What do you mean by “Debtors” method?
21. What are the main types of branches from accounting point of view?
22. What are dependent branches?

23. On 20th January 2020, Martin and Co., Kochi consigned 200 computer tables to Sea Land Furniture Mart, Kozhikode. On 30th June 2020, Sea Land Furniture Mart forwarded an Account Sales, with a bank draft for the balance, showing the following transactions:
- (a) 150 computer tables sold @ Rs. 1,300 and 30 @ Rs. 1,400 each.
 - (b) Unloading charges Rs. 700.
 - (c) Storage and insurance Rs. 600.
 - (d) Commission @ 12%.
 - (e) Advance given to Martin and Co. Rs. 1,00,000.
- You are required to prepare Account Sales.
24. 100 tonnes of coal are consigned @ Rs. 150 per tonne, non-recurring expenses being Rs. 4,000. Loss due to loading and unloading is 5 tonnes. The quantity sold by the consignee is 85 tonnes. Calculate the value of unsold stock.
25. Calculate the value of abnormal loss from the following details:
- (a) 10,000 kg. of oil was consigned at Rs. 32 per kg.
 - (b) Freight Rs. 8,000, packing Rs. 10,000 and insurance Rs. 2,000 were paid by the consignor.
 - (c) Consignee's expenses were: advertisement Rs. 2,800, godown rent Rs. 800.
 - (d) 1,500 kg. of oil was lost in transit and the insurance company paid Rs. 40,000 as compensation.
 - (e) 6,000 kg of oil was sold at Rs. 38 per kg.
 - (f) Stock with consignee was 2,000 kg; there being a normal loss of 500 kg.
26. Department A transferred to Department B 4,000 units of material X at Rs. 10 per unit. The actual cost of materials of Department A is Rs. 8 per unit. Find out the stock reserve on 1,000 units of material X which could not be consumed by Department B during the year.

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions in not exceeding **120** words. Each question carries **4** marks.

27. Enumerate the contents of Partnership Deed.
28. What are the conditions for compulsory dissolution of a partnership firm?
29. Distinguish between Realization Account and Revaluation Account.
30. How does joint venture differ from consignment?
31. Distinguish between Invoice and Account Sales.
32. List out the basic features of a Joint Venture business.
33. What are the advantages of departmental accounts?
34. How would you allocate the following indirect expenses among different departments of departmental organization?
 - (a) Sales Manager's salary
 - (b) Bad Debts
 - (c) Rent, Rates and Taxes
 - (d) Lighting
35. The partnership firm of X, Y and Z was dissolved. Their Balance Sheet as at 31st December, 2019 was as under:

	Rs.		Rs.
X's Capital	18,000	Plant and Machinery	20,000
Y's Capital	15,000	Stock	17,000
Z's Capital	10,000	Debtors	15,000
Sundry Creditors	8,000	Cash at Bank	2,000
Outstanding expenses	1,000		
Reserve	2,000		
	<u>54,000</u>		<u>54,000</u>

X, Y and Z were sharing profits and losses as 5 : 3 : 2. Plant is sold for Rs. 15,000 and Stock for Rs. 18,000. In addition, stock worth Rs. 2,000 was taken over by X. Debtors realized Rs. 11,000. Creditors were paid Rs. 7,000 in full settlement. Rs. 1,000 was spent for realization expenses.

Prepare Realization Account.

36. Pass the necessary journal entries for the following transactions on the dissolution of a firm, after various assets (other than cash) and third party liabilities have been transferred to Realization Account:

- (a) Bank Loan Rs. 10,000 is paid.
- (b) Stock worth Rs. 5,000 is taken over by partner A.
- (c) Expenses on dissolution amounted to Rs. 1,200 and were paid by partner B.
- (d) Loss on Realization Rs. 7,000 was to be distributed between A and B in the ratio of 5 : 2.

37. Salem Garments Ltd. opened a branch at Kozhikode on 1st April, 2019. Prepare Kozhikode Branch Account for the year ended 31st March 2020, from the following information.

	Rs.
Goods sent to Kozhikode Branch	3,25,000
Cash sent to branch for -	
Salaries	35,000
Rent	32,000
Sundry expenses	10,000
Cash remitted by the branch	4,32,000
Closing stock at branch	60,500
Petty cash in branch (31-3-2020)	1,400

38. The Mumbai Head Office sent goods to Chennai branch at 25% profit over costs. From the following details, prepare the Branch Account in the Head Office books and ascertain the net profit at the branch:

	Rs.
Opening stock of goods at branch at invoice price	20,000
Goods sent to branch at invoice price	90,000
Loss of goods in transit at invoice price	6,000

	Rs.
Pilferage at branch at cost to branch	1,200
Closing stock at branch at its cost	16,000
Sales at branch	1,05,000
Salaries and wages at branch	6,000
Other expenses at branch	3,000

Chennai branch received Rs.4,000 from the Insurance Company in settlement of the claim for the loss of goods in transit.

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions in not exceeding **4** pages each. Each question carries **15** marks.

39. What is piecemeal distribution? Discuss the two methods of piecemeal distribution.
40. Discuss in detail the different types of branches from accounting point of view.
41. Neptune, Jupiter, Venus and Pluto had been carrying on business in partnership, sharing profits and losses in the ratio of 3:2:1:1. They decide to dissolve the partnership on the basis of the following Balance Sheet as on April 30, 2020:

Liabilities	Rs.	Assets	Rs.
Capital Accounts:		Premises	1,20,000
Neptune	1,00,000	Furniture	40,000
Jupiter	<u>60,000</u>	Stock	1,00,000
General Reserve	56,000	Debtors	40,000
Capital Reserve	14,000	Cash	8,000
Sundry Creditors	20,000	Capital	
		Overdrawn:	
Mortgage Loan	80,000	Venus	10,000
		Pluto	<u>12,000</u>
	<u>3,30,000</u>		<u>22,000</u>
			<u>3,30,000</u>

- (a) Assets were realized as follows: debtors Rs. 24,000, stock Rs. 60,000; furniture Rs. 16,000; and premises Rs. 90,000.
- (b) Expenses of dissolution amounted to Rs. 4,000.
- (c) Further creditors of Rs. 12,000 had to be met.
- (d) General reserve, unlike capital reserve, was built up by appropriation of profits.

Draw up Realization Account, Partners' Capital Accounts and Cash Account assuming that Venus became insolvent and nothing was realized from his private estate. Apply the principles laid down in *Garner vs Murray*.

42. Kay sent 500 articles to his agent Jay at an invoice price (cost to Kay) of Rs. 25 per article and paid freight and cartage Rs. 460. Jay sold 300 articles @ Rs. 30 per article and sent an account sales deducting Rs. 200 for storage charges and Rs. 300 for selling expenses. He charged 10% commission on the gross sale proceeds and remitted the amount due to Kay. Jay also informed Kay that 50 articles had been damaged in transit and they fetched only total 70% of their cost. Prepare necessary ledger accounts in Kay's books of accounts showing the profit earned by the consignor.
43. X, Y and Z enter into a joint venture to share profits in the ratio of 3:2:1 respectively. X, Y and Z contributed Rs. 3,000, Rs. 4,000 and Rs. 5,000 respectively, which amounts were deposited in a Joint Bank Account. They purchased goods worth Rs. 10,000 from N, and made him the payment by cheque. They incurred Rs. 250 as expenses on the goods purchased.

A part of the goods was sold for Rs. 9,000 and the amount was received in cash. The remaining goods were sold to P on credit for Rs. 6,000, who accepted a bill, which was discounted for Rs. 5,900.

X was allowed commission @ 5% on sales for his extra services.

Prepare Joint Venture Account, Joint Bank Account and Personal Accounts.

44. Department R sells goods to Department S at a profit of 25% on cost and Department T at 10% profit on cost. Department S sells goods to R and T at a profit of 15% and 20% profit on sales respectively. Department T charges 20% and 25% profit on cost to Department R and S respectively.

Department managers are entitled to 10% commission on net profit subject to unrealized profit on departmental sales being eliminated. Departmental profits after charging manager's commission, but before adjustment of unrealized profit, are as under:

		Rs.
Department	R	54,000
Department	S	40,500
Department	T	27,000

Stock lying at different departments at the end of the year are as under:

	Department R (Rs.)	Department S (Rs.)	Department T (Rs.)
Transfer from Department R	-	22,500	16,500
Transfer from Department S	21,000	-	18,000
Transfer from Department T	9,000	7,500	-

Find out the correct departmental profits after charging manager's commission.

(2 × 15 = 30 Marks)

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Third Semester B.Com. Degree Examination, March 2021

First Degree Programme Under CBCSS

Core Course

ENTREPRENEURSHIP DEVELOPMENT

(Common for CO 1341/CC 1342)

(2019 Admission Regular)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in a word or maximum of **two** sentences. Each question carries 1 mark.

1. What is MSME?
2. What are industrial clusters?
3. Who are women entrepreneurs?
4. List out the qualities of a good project report.
5. What are Techno parks?
6. What is product layout?
7. What is seed capital?
8. What is NIESBUD?

P.T.O.

9. What product launching?

10. What are ED Clubs?

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions (Not to exceed **one** paragraph each). **Each** question carries **2** marks.

11. What are the objectives of a project report?

12. What is SWOT analysis?

13. What are project profiles?

14. What do you mean by a fabian entrepreneur?

15. List out any four obstacles of entrepreneurship.

16. What is social cost benefit analysis?

17. What is pre-investment appraisal?

18. What do you mean by occupational mobility?

19. What is industrial sickness?

20. What is a subsidy?

21. What is project formulation?

22. What do you mean by plant location?

23. What is EDP?

24. What is EIA?
25. What is bridge capital?
26. What do you mean by incubators?

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions (Not to exceed **120** words). Each question carries **4** marks.

27. What is the role of channel selection in launching a product in the market?
28. Discuss the techniques for project appraisal.
29. What are techno-economic surveys? Bring out their significance.
30. What is Sensitivity analysis? How is it applied in business?
31. What is factory design? Discuss the factors affecting factory design.
32. Discuss the steps involved in operations planning before a business is launched.
33. What do you mean by matching of Entrepreneur with the Project? Discuss the need for it.
34. Examine the benefits of registration of MSME in relation to entrepreneurial development.
35. Discuss the phases of EDP.
36. Describe the skills required for a successful entrepreneur.
37. Bring out the functions of a successful entrepreneur.
38. Discuss the requirements of a good project report.

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions. (Not exceeding **four** pages) Each question carries **15** marks.

39. Discuss the barriers of entrepreneurship. What measures would you suggest in the post pandemic situation to promote entrepreneurship?
40. What are the important factors affecting entrepreneurial growth?
41. What are the steps involved in feasibility report preparation and evaluation criteria?
42. Discuss the institutional support system available to entrepreneurs.
43. What is the role of MSMEs in the economic development of India?
44. What are the remedial measures taken by the government to overcome industrial sickness?

(2 × 15 = 30 Marks)

(Pages : 4)

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MSN INSTITUTE OF
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Third Semester B.Com. Degree Examination, March 2021

First Degree Programme under CBCSS

Core Course

CO 1343/CC 1344 : COMPANY ADMINISTRATION

(2019 Admission Regular)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** the questions in **one** word or to a maximum of **two** sentences each. **Each** question carries **1** mark.

1. What is the importance of Table A?
2. Define company.
3. What is mean by proxy?
4. Is liquidation same as winding up?
5. What is Section 177 of Companies Act 2013?
6. What is the significance of AGM?
7. Describe online filing of documents.
8. What is mean by CSR?
9. Who are key managerial personnel?
10. Describe the term 'Voluntary winding up'.

(10 × 1 = 10 Marks)

P.T.O.

SECTION – B

Answer **any eight** questions in not exceeding one paragraph each. **Each** question carries **2** marks.

11. What are the basic features of OPC?
12. Describe duties of Board of Directors.
13. Describe capital clause.
14. Who is an independent Director?
15. Describe ordinary resolution.
16. Explain structure of Board of Directors of a company.
17. Describe the quorum required for general meeting.
18. Describe the impact of CSR on the functioning of company.
19. What is meant by 'Illegal association'?
20. What is mean by incorporation?
21. Explain major functions of company secretary.
22. Describe the importance of Table F.
23. What is meant by compulsory liquidation of a company?
24. Is CSR fulfillment necessary.
25. What is the legal position of a promoter?
26. Who can be a promoter?

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions in about **120** words each. **Each** question carries **4** marks.

27. What are the basic features of companies limited by guarantee?
28. Explain doctrine of constructive notice.
29. How does a subsidiary company work?
30. Why prospectus is issued?
31. Describe the functions of promoters.
32. Explain "Lifting up of corporate veil".
33. Explain the features of Memorandum of Association.
34. What are the privileges of private company?
35. Explain 'related party disclosure'.
36. Describe the voting rights of shareholders of a company.
37. List the procedure of passing a Board resolution.
38. Explain name clause in Memorandum of Association.

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions in not exceeding 4 pages each. **Each** question carries **15** marks.

39. What is mean by Articles of Association? Explain different contents in details.
40. Explain features of new Companies Act 2013.
41. What is resolution? Explain types.

42. Explain the procedure of obtaining DIN.
43. What are the types of companies?
44. Explain the challenges faced by company secretary.

(2 × 15 = 30 Marks)

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Third Semester B.Com. Degree Examination, October 2019

First Degree Programme Under CBCSS

Complementary Course III

E - BUSINESS

(Common for CO 1331/CC 1331/HM 1331/CX 1331)

(2018 Admn.)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions, in one word to two sentences. Each question carries 1 mark.

1. Write a short note on e-tailing.
2. List out the names of three e-payment method.
3. Differentiate E-commerce and E-business.
4. Define WWW.
5. Define an e-citizen.
6. Write a note on Electronic fund transfer.
7. Name two popular internet browser.
8. What do you mean by digital delivery of products?

P.T.O.

9. Write the name of any two e-commerce sites in India.
10. Write a short note on Internet marketing.

(10 × 1 = 10 Marks)

SECTION – B

Answer **any eight** questions, not exceeding **one** paragraph. **Each** question carries **2** marks.

11. Explain the term 'e-marketing'.
12. What is e-learning?
13. Describe the term B2B.
14. Explain the uses of ICT.
15. List out any two possible drawbacks of E-Commerce.
16. What role does SCM play in Business to Business model e-commerce?
17. Write a short note on e-governance.
18. What are the features of E-commerce?
19. Explain the advantages to society because of e-commerce?
20. Explain e-auction.
21. How is email useful for e-commerce?
22. What is Electronic Filing?

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions, not exceeding **120** words. Each questions carries **4** marks.

23. What are the advantages of E-commerce?
24. What are the different types of E-market place?

25. "CRM helps to improve the business relationship with customers". Comment.
26. Write about different advertisement strategies online.
27. Discuss in detail about the security issues connected to electronic cash transferred over internet?
28. Compare and contrast the traditional business and e business in a book business
29. Explain different steps in creating an ecommerce web site.
30. Write in detail how tourism industry can gain advantage using ecommerce websites?
31. Write note on the any of the successful Kerala e-governance initiative.

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions, not exceeding **four** pages. Each questions carries **15** marks.

32. What is ERP? Explain and illustrate the advantages of ERP system with the help of an example.
33. What are the major e-business models?
34. Explain any four applications of e-commerce in detail.
35. What do you mean by E-governance? Explain various types of E governance Model.

(2 × 15 = 30 Marks)

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26. Write about different advertisement strategies online.
27. Discuss in detail about the security issues connected to electronic cash transferred over internet?
28. Compare and contrast the traditional business and e business in a book business
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33. What are the major e-business models?
34. Explain any four applications of e-commerce in detail.
35. What do you mean by E-governance? Explain various types of E governance Model.

(2 × 15 = 30 Marks)

(Pages : 7)

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Third Semester B.Com. Degree Examination, October 2019

First Degree Programme under CBCSS

Core Course

ADVANCED FINANCIAL ACCOUNTING

(Common for CO 1343/CC 1344 (2014 to 2017
Admission)/CO1342/CX1342/TT1342/HM1342/CC1343 (2018 Admission))

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in one word to maximum of two sentences. Each question carries **1** mark.

1. What is meant by partnership deed?
2. What is dissolution of firm?
3. What is consignment?
4. What is proforma invoice?
5. What is Joint Venture?
6. Write a short note on Memorandum Joint Venture Account.
7. What are the main types of branches from accounting point of view?
8. What is 'goods in transit'?
9. What are departmental accounts?
10. What is dual pricing?

(10 × 1 = 10 Marks)

P.T.O.

SECTION – B

Answer **any eight** questions not to exceed one paragraph. Each question carries **2** marks.

11. Explain the circumstances under which a firm is dissolved.
12. What is meant by 'fixed capital' of partners?
13. Bring out two important decisions of Garner Vs. Murray.
14. Who is consignee?
15. Name the various methods of recording Joint Venture transactions.
16. Distinguish between joint venture and consignment.
17. What is meant by dependent Branch?
18. What is meant by 'Branch Adjustment Account'?
19. What are inter departmental transfers?
20. List the bases for apportionment of common expenses in departmental accounts.
21. Invoice price of goods sent out is ₹.4,00,000. $\frac{4}{5}$ th of the goods were sold by consignee at ₹.3,52,000. The rate of commission is 2% upto invoice value and 10% of any surplus above invoice value. Calculate the amount of commission.
22. Calculate invoice price of Goods sent to branch and profit included therein:

Goods sent to Branch (at cost) ₹.1,20,000

Goods are invoiced to the Branch at 25% above the cost.

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions not to exceed in 120 words. Each question carries **4** marks.

23. What is realisation account? How and when is it prepared?
24. Distinguish between consignment and sale.
25. What are the objectives of Branch accounting?
26. What are the advantages of departmental accounting?
27. Pass necessary journal entries for the following transactions at the time of dissolution of the firm
 - (a) X, a partner takes over an unrecorded asset (typewriter) at ₹3,000
 - (b) Undistributed balance (debit) of Profit and Loss account ₹30,000. The firm has three partners X,Y and Z
 - (c) The assets of the firm realised ₹1,25,000
 - (d) Creditors paid ₹28,000 in full settlement of their account of ₹30,000.
28. Mr. X provides the following information:
 - (a) Goods sent by Mr. X to his agent Mr.Y–10,000 units @ ₹20 per unit.
 - (b) Mr. X's forwarding expenses ₹.50,000.
 - (c) Agent took delivery and brought goods to his godown after incurring expenses @ ₹1 per unit.
 - (d) Goods sold by agent – 7,300 units @ ₹30.
 - (e) Agents commission — 6%

Calculate the amount of closing stock.

29. X Ltd. Provides you the following information:

	Stock as on 1.4.2014	Purchases	Sales
Dept. A	120 units	1,000 units	1,020 units @ ₹20.00
Dept. B	80 units	2,000 units	1,920 units @ ₹22.50
Dept.C	152 units	2,400 units	2,496 units @ ₹25.00

Total purchases for the period is ₹.1,00,000

The rate of gross profit is 20%, same for all the departments.

Prepare departmental trading account for the year 2014-15

30. Give journal entries in the books of Branch A to adjust the following

- (a) Head office exp. ₹35,000 allocated to the Branch, but not recorded in Branch Books
- (b) Depreciation of branch assets, whose accounts are kept by the Head office not provided earlier for ₹25,000
- (c) Branch paid ₹40,000 as salary to a H.O Inspector, but the amount paid has been debited by the branch to salaries account.
- (d) A remittance of ₹1,50,000 sent by the branch has not yet been received by Head Office.

31. X and Y entered into a joint venture, agreeing to share profits and losses in the ratio of their respective contributions. X and Y deposited ₹65,000 and ₹32,500 respectively into a joint bank account. Goods bought for ₹75,000. Expenses incurred ₹.10,950. Goods sold for ₹90,000. Goods taken over by X amounted to ₹2,700.

Prepare joint venture account and find out the profit.

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions not exceeding four pages. Each question carries **15** marks.

32. Write short notes on:

- (a) Treatment of normal and abnormal losses in consignment
- (b) Recurring and non-recurring expenses relevant in consignment
- (c) Delcredere and overriding commission in consignment

33. Jeevani and sons has two departments' cloths and readymade clothes. Readymade clothes are manufactured by the firm itself out of clothes supplied by the cloth department at its usual selling rate. From the following figures prepare Departmental Trading and Profit and Loss account and General Profit and Loss account for the year ending 31 December 2017.

	Cloth	Readymade
	(₹.)	(₹.)
Opening stock on 1.1 .2017	3,60,000	60,000
Purchases	29,00,000	20,000
Sales	35,00,000	7,00,000
Transfer to readymade cloth department	4,50,000	—
Manufacturing expenses	—	1,40,000
Closing stock on 31.12.2017	1,00,000	48,000

General expenses incurred for both the department were ₹1,20,000. The stocks in the readymade cloth department may be considered as consisting of 66 2/3% cloth and 33 1/3% other expenses. The cloth department earned profit at the rate of 18% in 2016.

34. A Delhi merchant has a Branch at Chennai to which he charges out the goods at cost plus 25%. The Chennai Branch keeps its own Sales ledger and transmits all cash received to the Head Office every day. All the expenses are paid from the head Office. The transactions for the Branch were as follows.

	₹
Stock (1 .4.2007) at invoice price	11,000
Debtors (1 .4.2007)	100
Petty cash	100
Cash sales	2,650
Credit sales	23,950
Goods sent to Branch at invoice price	20,000
Collection from Branch debtors	21,000
Goods returned to Head Office at invoice price	300
Bad debts	300
Allowances to customers	250
Returns inwards	500
Cheque sent to Branch:	
Rent	600
Wages	200
Salaries	900
Stock (31.3.2008)	13,000
Debtors (31.3.2008)	2,000
Petty cash (31.3.2008) including miscellaneous	
Income not remitted	125

Prepare Branch Trading and Profit and Loss account.

35. Ram and Lal shared profits in the ratio of 2:3. Their Balance Sheet on March 31, 2016 was as follows

Balance sheet			
Liabilities	₹	Assets	₹
Creditors	40,000	Cash	16,000
Lal's loan	32,000	Debtors	80,000
Profit and loss account	50,000	Less: Provision	3,600
			<u>76,400</u>
Capital:		Inventory	1,09,600
Lal	1,60,000	Bills receivable	40,000
Ram	2,40,000	Buildings	2,80,000
	<u>5,22,000</u>		<u>5,22,000</u>

Ram and Lal decided to dissolve the firm on the above date. Assets except bills receivable realized ₹4,84,000. Creditors agreed to take ₹38,000. Cost of realisation was ₹2,400. There was an unrecorded motor cycle in the firm and it was sold for ₹10,000. There was a contingent liability of ₹5,000 in respect of outstanding electricity bill. Ram took bills receivable at ₹33,000.

Prepare necessary accounts to close the books of the firm.

(2 × 15 = 30 Marks)

