

**Subject: FINANCIAL ACCOUNTING II**

**Semester II**

**FYBAF (A Division)**

**ASSIGNMENT**

**INSTRUCTIONS TO STUDENTS:**

- 1) **Assignment is compulsory for every student.**
- 2) It forms the part of internal assessment and carries 20 marks.
- 3) Students are required to answer all the questions as under:
  - a) From Section A: any 8 questions.
  - b) From Section B: all the questions. ( question number 1 and 2 have an internal option while question number 3 and 4 are compulsory)
- 4) Students are required to number the questions correctly.
- 5) The assignment is to be handwritten on a fullscape paper.
- 6) On the first page student has to write his name, roll number and class.
- 7) Every page has to be serially numbered on top right corner.
- 8) **The entire assignment is to be stapled and not submitted in a file.**

## **SECTION A**

- 1) What is an Average clause? Give an example when it is applicable.
- 2) What is loading? What is invoice price? Why does consignor consign goods to consignee at invoice price.?
- 3) Explain the different types of commission under consignment.
- 4) List the features of consignment.
- 5) Distinguish between consignment and sale.
- 6) Write short notes on: Account sale and Proforma Invoice.
- 7) List the advantages and disadvantages of single entry system.
- 8) Distinguish between single entry and double entry system of accounting.
- 9) Write a short note on Independent branch.
- 10) Distinguish between branch and department.
- 11) Distinguish between branch accounts and departmental accounts.
- 12) Write a short note on debtors method in branch accounting.

## SECTION B

1)

a) On 20/10/2023, godown of Aag Ltd. Was affected by fire, but following information is available:

- i) Stock on 1/4/2023 Rs.216000 (valued at 10% below cost)
- ii) Purchases for the period 1/4/2023 to 20/10/2023 Rs.280000
- iii) Sales for the period 1/4/2023 to 20/10/2023 Rs.620000

Other information:

Sales above include goods of Rs.80000 not yet dispatched.

Purchases given above include goods of Rs.40000 not yet recorded.

Gross profit ratio is 25%. Value of goods salvaged Rs.31000.

Stock was insured for Rs.100000. Find the amount of claim.

**OR**

b) On 15/10/2023, premises of Agnisakshi was destroyed by fire. From records saved, following particulars were found:

- a) Stock on 1/4/2022 Rs.198000
  - b) Stock on 31/3/2023 Rs. 242000
  - c) Purchases for the year ended 31/3/2023 Rs.640000
  - d) Sales for the year ended 31/3/2023 Rs.800000
  - e) Purchases for the period 1/4/2023 to 15/10/2023 Rs.600000
  - f) Sales for the period 1/4/2023 to 15/10/2023 Rs. 758000
- Stock on 1/4/2022 was valued at 10% below cost while stock on 31/3/2023 was valued at 10% above cost. The policy was for Rs.200000. Stock of Rs.35600 was salvaged. Claim was subject to average clause. Show the amount of claim to be lodged with insurance company.

2)

p) On 1/1/2019, I of Indore consigned 800 tv sets @ Rs.1500 per set to Hardik of Hyderabad. He incurred Rs.25500 on freight. On the same date, I drew a bill of Rs.450000 due on 31/3/2019 which Hardik duly accepted. The bill was discounted with the bank @ 12% p.a. Discount to be charged to consignment account. Hardik sent an account sale to I showing sale of 300 tv sets @ Rs.1700 per set for cash and 500 sets @ Rs.1800 per set on credit. Hardik incurred expenses of Rs.44080 on selling the tv sets. Hardik was entitled to a commission of 10% and an additional 2% delcredere commission. On 31/3/2019, Hardik remitted the balance to I.

Prepare a consignment account and Hardik account in the books of I and I account in the books of Hardik.

**OR**

q) M of Madurai consigned to Ashwin of Ahmedabad, 1000 TV sets costing Rs.2500 per set @ 20% above cost. M incurred Rs.3000 for insurance, Rs.7000 for carriage and Rs.10000 for sundry expenses.

On receiving the consignment, Ashwin accepted a bill for half the amount of invoice price. M discounted the bill for Rs.1475000.

Ashwin sent an account sales showing:

- a) Sale of 600 sets @ Rs.3500 each for cash.
- b) Sale of 300 sets @ Rs.4000 each on credit.
- c) Ashwin paid Rs.6000 for godown rent and Rs.7500 for selling expenses.

Ashwin remitted the balance due to M after deducting his expenses and commission @ 10% and delcredere commission of 2%.

Prepare necessary accounts in the books of Consignor.

3) Amit Traders of Pune have their branch at Mumbai. Prepare the Branch A/c in the books of the H.O from the following transactions with the branch for the year:

- a) Opening Balance ` Petty cash at Bank 1,250 Stock at Branch 77,000 Debtors at Branch 41,250
- b) Goods supplied to Branch during the year 3,78,000
- c) Amount Remitted to the Branch: For petty cash expenses 7,500 For Salary 18,500 for Rent & Taxes 6,000
- d) Closing Balance: Petty cash at Bank 1,880 Stock at Branch 57,880 Debtors at Branch 1.26,150
- e) Other information:Discount allowed to customers 1,060 Amount Remitted by the Branch: Cash Sales 26,250 Realisation from debtors 4,10,350.

4) Mr. Dhanush gives you the following information

a) Balances of assets and liabilities:

Particulars	1/4/2022	31/3/2023
Debtors	10000	12000
Creditors	6000	8000
Cash and bank	14000	???
Stock	25000	24000
Machinery	30000	?????
Furniture	10000	?????

b) Transactions during the year:

- i) Cash sales were Rs.16000 and credit sales were Rs.34000.
  - ii) Cash purchases were Rs.6000 and credit purchases were Rs.12000.
  - iii) Wages of Rs.5000 was paid.
  - iv) Drawings of Mr. Dhanush in cash Rs.6000.
- c) Other information:
- Discount allowed Rs.2000 and discount received Rs.1000.
- Depreciation to be provided @25% on machinery and 10% on furniture.

**Prepare the final accounts of Mr. Dhanush.**