

II Semester B.Voc. Degree Examination, May/June 2018
(CBCS) (F + R) (2016-17 and Onwards)
RETAIL MANAGEMENT
Paper – 2.2 : Financial Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all Sections.**SECTION – A**

1. Answer **any five** of the following. Each question carries **two** marks. (5×2=10)
- Mention the types of Branches.
 - Give the meaning of average clause.
 - What is recoupment of short working ?
 - What is Hire Purchase System ?
 - Mention the methods of maintaining departmental Accounts ?
 - What is Dependent Branch ?
 - Find out sales. When cost of goods sold is Rs. 80,000 and G/P on Sales is 25%.

SECTION – B

Answer **any three** questions. Each question carries **6** marks. (3×6=18)

2. From the following data, prepare Departmental Trading and Profit and Loss A/c for the year ended December 31, 2015 :

Particulars	Dept. A	Dept. B
Opening Stock	40,000	–
Purchase from outside	2,00,000	20,000
Transfer of goods from Dept. A	–	50,000
Closing stock at cost to the dept.	30,000	10,000

P.T.O.



Wages	10,000	1,000
Sales to outsiders	2,00,000	71,000

B's entire stock represents goods from Department 'A' which transfer them at 25% above its cost. Administrative and selling expenses account to 15,000 which are to be allowed allocate Dept. A and B in the ratio of 4 : 1 respectively. Also show the amount of provision to be made for unrealised profit.

3. A fire occurred on 15th December 2015 in the premises of Archana Com. Ltd. From the following figures, calculate the amount of claim to be Lodged with the insurance company for loss of stock :

Particulars	Amount (Rs.)
Stock at cost on 1 st April 2013	20,000
Stock at cost on 31 st March 2014	30,000
Purchases during the year ended 31 st March 2014	40,000
Purchases from 1 st April 2015 to 15 th Dec. 2015	88,000
Sales during the year ended 31-3-2014	60,000
Sales from 1-4-2015 to 15-12-2015	1,05,000
During the current year, cost of purchases have risen by 10% above last years levels.	
Selling price have gone up by 5%.	
Salvage value of stock after fire was Rs. 2,000.	

4. A Ltd., with its head office in Bangalore has a branch at Mysore. You are given the following particulars relating to Mysore Branch for the year ended 30-6-2015

Particulars	Rs.
Stock at branch on 1-7-2014	32,600
Petty cash at branch on 1-7-2014	110
Goods sent to branch	45,600
Goods returned by the branch	3,900
Cash sales at branch	71,900

Cash sent to branch for expenses :

Salaries	12,800	
Rent	3,000	18,400
Petty cash	<u>2,600</u>	37,100
Stock at branch on 30-6-2015		90
Petty cash at branch on 30-6-2015		

Prepare Branch Account in the books of H.O.

5. Prepare Analytical table from the following details :

- Minimum Rent Rs. 20,000 P.A.
- Royalty payable Rs. 5 per ton.
- Short working can be recovered during the first 4 years of the lease only.
- The production for the first four years were as follows :

2007 - 2000 tons	2009 - 4000 tons
2008 - 3000 tons	2010 - 4500 tons .

6. Cash price Rs. 24,000. Down payment Rs. 6,000. The balance is paid in 3 annual installment of Rs. 6,000 each, interest charged 5% p.a. Calculate the total purchase price (HPP) and interest of each installment.

SECTION - C

Answer any three questions. Each question carries fourteen marks. (14×3=42)

7. Praveen purchased a plant costing Rs. 40,000 on 1-4-2009 from Ranjan Electronics Ltd. Under Hire Purchase System, the terms being Rs. 10,000 down payment and the balance in three equal annual installments together with interest at 20% p.a. On the outstanding cash price. Depreciation is to be charged at 15% P.A. under straight line method.
Prepare necessary Ledger Accounts in the books of Praveen under Asset Accrual Method.



8. Bengal Coal Ltd., is engaged in working a coal mine. On January 1, 2012 it entered into an agreement with the owner of the land which provided for :

- a) A royalty of Rs. 20 per ton of coal raised.
- b) A minimum rent of Rs. 50,000 per annum.
- c) The recovery of short working within a period of first 3 years.

The out put during the first 5 years was

Year	Output (tons)
2012	2000
2013	2250
2014	3000
2015	3800
2016	5000

The amounts due to land lord in respect of each year were paid at the end of the year.

Prepare necessary Ledger A/cs in the books of Bengal Coal Ltd.

9. Determine the amount of claim to be Launched by M/S Gokuldas Garments from the following details :

The company had taken a fire insurance policy for Rs. 1,20,000 covering its stock and the policy was subject to average clause :

Particulars	2014-2015	1-4-2015 to 30-6-2015
Sales	11,43,000	6,69,500
Purchase	7,89,500	3,94,000
Wages and salaries	1,37,400	68,900



Purchase returns	27,400	9,600
Carriage inwards	27,400	9,600

Date of fire 30-6-2015 :

Stock on 1-4-2014 Rs. 1,28,700

Stock on 31-3-2015 Rs. 2,31,000

Stock salvaged Rs. 19,310

Opening stock (1-4-2014) had been valued at 10% below cost and closing stock (31-3-2015) had been valued at 10% above cost.

10. A Cloth Company of Gwalior has its branch at Delhi. Goods are invoiced to the branch at cost plus 25%. Branch has been instructed to deposit daily all cash received by it in the Head Office. Except petty expenses which are met by the branch manager from the petty cash amount sent by the H.O. from time to time.

From the following particulars, prepare Delhi Branch A/c in the books of the H.O. at Gwalior.

The branch sells the goods at the Invoice price only :

	Rs.
Stock on 1-4-2013 at invoice price	36,000
Sundry debtors on 1-4-2013	21,000
Cash in hand on 1-4-2013	960
Office furniture on 1-4-2013	3,000
Goods received from H.O. (invoice price)	1,90,000
Goods returned to H.O. (Invoice price)	2,500
Cash received from debtors	72,000

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Credit sales		1,20,000
Discount allowed to debtors		700
Goods returned by debtors		1,100
Expenses paid by H.O. :		
for rent	Rs. 2,900	
for salary	Rs. 5,600	
for printing and stationery	<u>720</u>	9,220

Petty expenses paid by the branch manager Rs. 670

Depreciation is to be provided on branch furniture at 10% p.a.

11. From the following particulars, prepare the Departmental Trading and Profit and Loss A/c for the year ended 31-12-2014 :

Particulars	Dept. A	Dept. B	Total
	Rs.	Rs.	Rs.
Opening stock	14,000	12,000	26,000
Purchase	75,100	69,800	1,44,900
Sales	1,00,000	80,000	1,80,000
Returns outwards	1,100	800	1,900
Salaries	9,000	8,500	17,500
General salaries			11,600
Rent and rates			6,000
Advertising			8,100
Insurance			1,000

Carriage outwards	5,400
Discount allowed	1,800
Discount earned	1,430
Accountancy charges	2,860
Carriage inwards	1,430

Additional information :

- a) General salaries to be allocated equally.
 - b) The area occupied is in the ratio of 3 : 2.
 - c) Insurance premium and accountancy charges cannot be allocated conveniently to any department.
 - d) Closing stock of Dept. A was Rs.16,000 and that of Dept. B Rs. 17,000.
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