



SE – 422

II Semester B.Voc. Examination, September 2020
(CBCS) (Repeaters) (2016-17 and Onwards)
RETAIL MANAGEMENT
Paper – 2.2 : Financial Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written in **English only**.

SECTION – A

Answer **any five**. Each question carries **two** marks.

(5×2=10)

1. Write any objectives of Departmental A/c.
2. What is actual amount of loss ?
3. What is Salvage ?
4. Who is an hire vendor ?
5. Define hire purchase agreement.
6. Define shortworkings.
7. What is minimum rent ?
3. Define the terms of Royalty.

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SECTION - B

Answer **any three** question. **Each** question carries **six** marks.

(3×6=18)

1. Calculate the cash price of an asset from the following :

₹ 3,000 paid at the time of agreement

- 1) ₹ 21,600 paid at the time of I year.
- 2) ₹ 20,700 paid at the time of II year.
- 3) ₹ 19,800 paid at the time of III year.
- 4) ₹ 18,900 paid at the time of IV year.

Rate of interest in 5% p.a.

Rate of depreciation 25% p.a. (straight line method).

2. On 15-June-2017 the premises and stock of a firm was destroyed by the fire but the accounting records were saved from which the following particulars are available.

	₹
Stock on 1-1-2016	73,500
Stock on 31-12-2016	81,900
Purchases for the year 2016	3,98,000
Sales for the year 2016	4,87,000
Purchases from 1-1-2017 to 15-6-2017	1,62,000
Sales from 1-1-2017 to 15-6-2017	2,31,200

The stock salvaged was ₹ 5,300. Show the amount of claim.



3. Prepare Royalty analysis table from the following details.

- 1) Minimum rent ₹ 20,000 p.a.
- 2) Royalty payable ₹ 5 per ton.
- 3) Short workings are recoverable during the first four year of the lease only.
- 4) The output for the first four years was :

2000 – ₹ 2,000 tons

2001 – ₹ 3,000 tons

2002 – ₹ 4,000 tons

2003 – ₹ 4,500 tons

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4. Calculate the amount of interest and principal included in each instalment.

Cash price ₹ 1,00,000, Down payment ₹ 25,000 three instalment of ₹ 30,000 each payable at the end of each year.

5. Big Bazar carries on its business through five department A, B, C, D and E.

a) The following information for the year 2013-14 now made available to you

Salaries ₹ 18,000

Rent rates taxes ₹ 4,500

Insurance ₹ 2,700

Miscellaneous expenses ₹ 5,400

All these expenses are chargeable to each department in proportion to the cost of Goods sold in the respective departments.



b) The following balances as at 31-3-2014.

Particulars	A	B	C	D	E
	₹	₹	₹	₹	₹
Opening Stock	15,000	9,000	22,500	12,000	13,500
Purchases	1,08,000	90,000	30,000	78,000	90,000
Sales	1,44,000	93,000	45,000	96,000	1,01,000
Closing Stock	36,000	12,000	9,000	3,000	16,500

Prepare the Profit and Loss A/c to show the final result of each department and also the combined results with respective percentage on sale.

SECTION - C

Answer any 3. Each question carries fourteen marks.

(3×14=42)

1. Mr. Bala purchased a machine on hire purchase system from Kumar motors on 1-4-2009 the cost price of the machine was ₹ 74,500 and the payment was to be made as follows.

On signing of the agreement ₹ 20,000 and the balance in 3 installments of ₹ 20,000 each at the end of each year 5% interest is charged by the vendor Mr. Bala has decided to write off 10% depreciation annually on the diminishing balance method.

Pass the necessary journal entries in the books of Mr. Bala under asset accrual method.



2. The following balances were extracted from the books of Kumar Ltd. Prepare Departmental Trading and Profit Loss A/c for the year ended 31-3-2013 after adjusting the unrealised department profits if any.

	Dept. A	Dept. B
	₹	₹
Opening stock	50,000	40,000
Purchases	6,50,000	9,10,000
Sales	10,00,000	15,00,000

General expenses incurred for both the departments were ₹ 1,25,000 and you are also supplied with the following information.

- 1) Closing stock of Dept. A ₹ 1,00,000 included goods from Dept. B for ₹ 20,000 at cost to Dept. A.
- 2) Closing stock Dept. B ₹ 2,00,000 included goods from Dept. A for ₹ 30,000 at cost to Dept. B.
- 3) Opening stock of Dept. A and Dept. B includes goods of the value of ₹ 10,000 and ₹ 15,000 taken from Dept. B and Dept. A respectively at cost to transferee departments.
- 4) The Gross profit is uniform from year to year.

3. XYZ Ltd. company took a lease from a landlord for a period of 10 years from 1-Jan. 2015 on a royalty of ₹ 5 per ton of coal raised with a dead rent of ₹ 20,000 and power to recoup shortworking during the first four years of the lease.

Year	Output
2001	2000
2002	3000
2003	4000
2004	4500
2005	5000

Prepare :

- 1) Dead Rent A/c
- 2) Royalties A/c
- 3) Shortworkings A/c
- 4) Landlord A/c.



4. Determine the amount of claim to be launched by M/s Basha enterprises 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	2004-2005 ₹	1-4-05 to 30-6-05 ₹
Sales	11,43,000	6,69,500
Purchases	7,89,500	3,94,000
Wages and salaries	1,37,400	68,900
Purchase return	27,400	9,600
Carriage inwards	27,400	9,600

Date of fire 30-6-2005

Stock in 1-4-2004 ₹ 1,28,700

Stock in 31-3-2005 ₹ 2,31,000

Stock salvage ₹ 19,310

Opening stock (1-4-2004) had been valued at 10% below cost and closing stock (31-3-2005) had been valued at 10% above cost.

5. A Davangere Merchant has a branch at Chennai to which he charges but the goods at cost plus 25% the Chennai branch keeps its own sales ledger and remits all cash received to the Head Office every day all expenses are paid from the Head Office.



The transactions for the branch during the year 1995 were as follows :

Particulars	Amt.	Particulars	Amt.
	₹		₹
Stock (1-1-2015) at I.P.	11,000	Returns inwards	500
Debtors (1-1-2015)	100	Cheques sent to Branch :	
Petty Cash (1-1-2015)	100	Rent	600
Cash Sales	2,650	Wages	200
Credit sales	23,950	Salary and other expenses	900
Goods sent to branch at I.P.	20,000	Stock (31-12-2015) at I.P.	13,000
Collection on Ledger A/c	21,000	Debtors (31-12-2015)	2,000
Goods returned to H.O. at I.P.	300	Petty Cash (31-12-2015)	
Bad Debts	300	Including miscellaneous income	
Allowances to customer	250	Rs. 25 not remitted	125

Prepare the Branch Trading and Profit and Loss A/c and Branch A/c for the year ending 31-12-2015.

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