



Reg. No.:

Name:

University of Kerala

U8716

Second Semester FYUGP Degree Examination, April 2025

Discipline Specific Core Course

COMMERCE

UK2DSCCOM100 - Financial Accounting

Academic Level: 100-199

Time: 2 Hours(120 Mins)

Max. Marks: 56

Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each, Answer all questions

Qn No.	Question	CL	CO
1	Choose the mode of dissolution conducted with the consent of all the partners Options : A)Dissolution by agreement B)Compulsory dissolution C)Dissolution by notice D)Dissolution by court	RE	2
2	The Journal entry to be passed to the effect of loading on goods sent is; Options : A)Consignment account Dr To goods sent on consignment B)Goods sent on consignment account Dr To trading account C)Goods sent on consignment account Dr To consignment account D)Consignment account Dr To consignee account	RE	3
3	Written policy document that discuss the recognition, measurement, and treatment of specific accounting transactions in a business is called; Options : A)Accounting Principles B)Accounting Standards C)Accounting Policies D)Accounting Concepts	UN	1
4	In consignment, the reward for the consignee is called-----	UN	3
5	Branch stock account is maintained to record transactions at which value? Options : A)Selling price B)Purchase price C)Cost price D)Marginal cost price	UN	4
6	Identify the event which is commonly a ground for dissolution of a partnership. Options : A)Expiry of partnership term or fulfillment of the pre-determined purpose B)Mutual agreement among the partners C)Death or insolvency of partner D)All of the above.	UN	1

Part B.10 Marks:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions

Qn No.	Question	CL	CO
7	A partnership firm is dissolved, and after paying all liabilities, there remains a balance of Rs.10,000. If the profit-sharing ratio between two partners, A and B, is 3:2, how much will each partner get?	UN	2
8	Examine the main purpose of the Partnership Deed	UN	1
9	As an accountant of a firm at the time of dissolution, how will you utilise the sale proceeds from assets based on priority?	AP	1
10	Calculate the number of units available for sale if; 200 units are sent on consignment and a normal loss of 5% is reported.	AP	3
11	Construct a partnership deed that outlines the terms and conditions of partnership	AP	2

Part C.16 Marks:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options * within each question

Qn No.	Question	CL	CO
12	A) At the time of dissolution, one partner agrees to settle all outside liabilities by taking over an asset. How should this be recorded in the books? OR B) Identify the various accounts to be prepared under the stock and debtor system. Explain	AP	2, 3
13	A) A partnership firm is being dissolved due to internal conflicts. Apply the process of dissolution to explain how the firm's assets and liabilities should be settled OR B) Mr. Rakesh of Mumbai sent 2000 tons of Coal on consignment @ ₹ 300 per ton to Deepak. Consignor paid ₹10,000 as carriage and ₹ 8,000 for wages. Consignee spent ₹ 2,000 for expenses. Mr.Deepak received 10 per cent less coal. Deepak sold 1500 ton coal @₹ 400 per ton. Calculate the value of unsold stock.	AP	2, 3

Qn No.	Question	CL	CO
14	<p>A)</p> <p>If a partnership firm with three partners follows an equal profit sharing agreement but has unequal capital investment how would Garner V Murray case affect them in case of insolvency.</p> <p>OR</p> <p>B) A partnership follows the fixed capital method, but one partner suggests switching to the fluctuating capital method to reduce bookkeeping efforts. Analyze the differences between these methods and their impact on financial statements.</p>	AN	1, 1
15	<p>A)</p> <p>M/s.Sai Traders of Madras consigned goods of the cost of Rs.60000 to Rajaneesh Agencies, Bangalore. The consignor paid insurance Rs.500 and freight Rs.250. The consignee took delivery of the consignment and sold some of the goods for Rs.70000. They spent Rs.1200 for the sales expenses. The consignee will get a commission of 5% on sales. The unsold goods are valued at Rs.6500. Give journal entries in the books of M/s.Sai Traders.</p> <p>OR</p> <p>B)</p> <p>On 31st December 2024, Head Office account in Mumbai Branch book shows a credit balance of Rs.2,40,000. On the same date the Mumbai Branch account in Head Office Book shows a Debit Balance of Rs.2,80,000.</p> <p>On Verifying the books, it was found that goods sent by the HO to the Branch but not received by the Branch before the closing date amounted to Rs.30,000. Show how the Adjusting Entries will appear in the books of Head Office and Branch.</p>	AN	4, 4

Part D.24 Marks. Time: 60 Minutes. (Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each. Answer all 4 questions choosing among options * within each question

Qn No.	Question	CL	CO
16	<p>A)</p> <p>Ramachandran is a manufacturer of traditional hand-woven ethnic wear based in Balaramapuram in the Thiruvananthapuram District. He partners with Raghul, who is based in Lucknow, to showcase and sell his wear. They agree on two alternative business arrangements for carrying on their business.</p> <p>Business arrangement 1: Ramachandran agreed to display and sell his wear on his behalf. For the business arrangement, Raghul will receive 40% commission on the sales made by him. Ramachandran shall retain the ownership of the designs and the stock of goods until they are sold.</p> <p>Business arrangement 2: Ramachandran sells the entire collection outright to Raghul for ₹3,00,000, because of which Raghul owns the collection and sells them to customers at any price fixed by him.</p> <p>Compare the two types of business arrangements and list out the features of these arrangements.</p> <p>OR</p> <p>B)</p>	AN	3, 2

Qn No.	Question	CL	CO																																				
	<p>A,B and C are partners in a firm sharing profits and losses in the ratio of 3:2:1.They decide to dissolve the firm on March 31,2024.The following is their Balance Sheet as on that date.</p> <table border="1" data-bbox="129 224 810 651"> <thead> <tr> <th colspan="4">Balance Sheet as on 31st March 2024</th> </tr> <tr> <th>Liabilities</th> <th>Amount</th> <th>Assets</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Capital A</td> <td>50,000</td> <td>Cash</td> <td>15,000</td> </tr> <tr> <td>Capital B</td> <td>40,000</td> <td>Debtors (₹60,000 - ₹5,000)</td> <td>55,000</td> </tr> <tr> <td>Capital C</td> <td>30,000</td> <td>Stock</td> <td>40,000</td> </tr> <tr> <td>Creditors</td> <td>35,000</td> <td>Machinery</td> <td>65,000</td> </tr> <tr> <td>Bills Payable</td> <td>20,000</td> <td>Furniture</td> <td>15,000</td> </tr> <tr> <td>Reserve Fund</td> <td>15,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td>1,90,000</td> <td></td> <td>1,90,000</td> </tr> </tbody> </table> <p>Additional Information</p> <ol style="list-style-type: none"> Assets were realized as follows: Debtors Rs.52000/-Stock Rs.35000/- Machinery.Rs.60000/- ,Furniture Rs.10000/- Creditors were paid in full, but Bills Payable were settled for Rs.19000/- Dissolution expenses amounted to Rs.4000 paid by A A took over the unrecorded investment worth Rs.8000/- The remaining cash was distributed among partners. <p>Prepare Realisation Account, analyse how the final cash balance is distributed among partners and discuss the impact of unrecorded assets on the Realisation Account.</p>	Balance Sheet as on 31st March 2024				Liabilities	Amount	Assets	Amount	Capital A	50,000	Cash	15,000	Capital B	40,000	Debtors (₹60,000 - ₹5,000)	55,000	Capital C	30,000	Stock	40,000	Creditors	35,000	Machinery	65,000	Bills Payable	20,000	Furniture	15,000	Reserve Fund	15,000				1,90,000		1,90,000		
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17	<p>A)</p> <p>Critically evaluate the concept of LLP and its feature.</p> <p>OR</p> <p>B)</p> <p>P, Q and R were partners sharing profit and losses equally. Their balance sheet after the preparation of the realisation account on dissolution of the firm was as follows.</p> <table border="1" data-bbox="129 1489 1002 1821"> <thead> <tr> <th colspan="4">Balance Sheet</th> </tr> <tr> <th>Liabilities</th> <th>Amount (₹)</th> <th>Assets</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>P's Capital</td> <td>12,000</td> <td>Cash</td> <td>8,000</td> </tr> <tr> <td>Q's Capital</td> <td>8,000</td> <td>R's Capital</td> <td>6,000</td> </tr> <tr> <td></td> <td></td> <td>Realisation Account</td> <td>6,000</td> </tr> <tr> <td>Total</td> <td>20,000</td> <td>Total</td> <td>20,000</td> </tr> </tbody> </table> <p>R is insolvent and his private estate pays only ₹ 5000 of the amount due to the firm. Close the books of accounts by applying principles laid down in Garner Vs. Murray case.</p>	Balance Sheet				Liabilities	Amount (₹)	Assets	Amount (₹)	P's Capital	12,000	Cash	8,000	Q's Capital	8,000	R's Capital	6,000			Realisation Account	6,000	Total	20,000	Total	20,000	EV	2, 2												
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	Evaluate the benefits of keeping accounts for various branches OR B) Is it ethical for a consignor to set a very high invoice price to show artificially increased profits? Evaluate the advantages and risks of invoicing goods at a price higher than cost.																																														
19	<p>A)</p> <p>On 31st march 2020, the firm of Amit, Rohan, Kiran sharing profit and losses in the ratio 5:3:2 had the following assets and liabilities:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4">Balance Sheet of as on 31st March 2020</th> </tr> <tr> <th>Liabilities</th> <th>Amount</th> <th>Assets</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td></td> <td>Cash</td> <td>5,000</td> </tr> <tr> <td>Amit</td> <td>25,000</td> <td>Debtors</td> <td>25,000</td> </tr> <tr> <td>Rohan</td> <td>15,000</td> <td>Stock</td> <td>20,000</td> </tr> <tr> <td>Kiran</td> <td>10,000</td> <td>Furniture</td> <td>10,000</td> </tr> <tr> <td>Creditors</td> <td>25,000</td> <td>Machinery</td> <td>20,000</td> </tr> <tr> <td>Bank Overdraft</td> <td>10,000</td> <td>Patent Rights</td> <td>5,000</td> </tr> <tr> <td>Mrs. Rohan's Loan</td> <td>5,000</td> <td>Goodwill</td> <td>9,000</td> </tr> <tr> <td>Accident Compensation Payable</td> <td>4,000</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>94,000</td> <td>Total</td> <td>94,000</td> </tr> </tbody> </table> <p>Additional Information:</p> <ol style="list-style-type: none"> 1. The firm was dissolved on the same date. 2. Debtors were realized at ₹19,000. 3. Stock was realized at ₹17,000. 4. Patent Rights and Goodwill were found to be valueless. 5. Amit took the responsibility to discharge the bank overdraft. 6. Rohan agreed to pay Mrs. Rohan's loan. 7. Creditors were paid ₹21,000 in full settlement of their claims. 8. Dissolution expenses amounted to ₹5,000. <p>OR</p> <p>B)</p> <p>A, B and C are partners in a firm sharing profits and losses equally. Their capitals as on 1st April 2020 were ₹300000, ₹500000 and ₹200000 respectively. As per partnership deed, C is entitled to a salary of ₹15000 pm. A is entitled to rent of ₹5000 p.m. No interest to be charged on drawings. Interest on capital is 12% p.a . B had withdrawn ₹ 10000 pm from business. The profit for the year before charging interest on capital amounts to ₹460000.</p> <p>Prepare Profit and Loss Appropriation account and capital accounts</p>	Balance Sheet of as on 31st March 2020				Liabilities	Amount	Assets	Amount	Capital		Cash	5,000	Amit	25,000	Debtors	25,000	Rohan	15,000	Stock	20,000	Kiran	10,000	Furniture	10,000	Creditors	25,000	Machinery	20,000	Bank Overdraft	10,000	Patent Rights	5,000	Mrs. Rohan's Loan	5,000	Goodwill	9,000	Accident Compensation Payable	4,000			Total	94,000	Total	94,000	CR	1, 1
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