

Programme: B.Com
Course: Financial Accounting-II
Course Code: 32ACC104
Enrolment no. _____

Full Marks: 70
Time: 3 Hrs.

Q.No.	Questions	CO	Bloom Taxonomy Category	Marks
Section I				
1	Short Answer type questions.			
a	Explain how shortworkings are treated in the books of a lessee when they are recoupable.	CO1	Understand	4 x 5 = 20
	or			
b	Explain the lessor and lessee in a royalty agreement. What happens if actual royalty is less than minimum rent?	CO1	Understand	
	or			
c	Describe the Debtors System of branch accounting. What are its main features and how is branch profit or loss calculated under this system?	CO2	Remember	
	or			
d	Describe and Give a format of a Branch Account under the Debtors System and briefly explain the treatment of the main items.	CO2	Remember	
	or			
c	Explain the treatment of legacy, donation, and entrance fees in the books of a Non-Profit Organisation. Under what circumstances are these treated as capital or revenue receipts?	CO3	Understand	
	or			
d	Describe the main objective of a Non-Profit Organisation (NPO).	CO3	Remember	
	or			
d	Pant Ltd. invited applications for 50,000 equity shares at Rs. 50 each, which are payable as on application Rs. 20, on allotment Rs. 10 and on first and final call Rs. 20. The company received applications for 60,000 shares. The directors accepted application for 50,000 shares and rejected the rest. Show Journal entries if company refunded the application money to rejected applicants and allotment money was received for 45,000 shares.	CO4	Apply	
	or			
	Explain the term – share forfeiture and Oversubscription? State the journal entry for forfeiting shares where application and allotment money was received, but the call money was unpaid.	CO4	Understand	
Section II				
	Long Answer type questions.			
2	Bengal Coal Lid, leased in a colliery on 1 st Jan, 2001 at a minimum rent of Rs. 15,000 merging into a royalty of Re 1 per ton with a right to recoup shortworkings over the first three years of the lease. The output for the first four years of the lease was 8,000, 13,000, 21,000 and 18,000 tones respectively. Pass necessary journal entries in the books of the company.	CO1	Analyze	3 x 10 = 30
	or			
3	Record the accounting treatment of royalties in the books of the lessee and the lessor.	CO1	Remember	
	or			
3	Describe Consignment. What are the differences between Consignment and Sale? What are its merit?	CO5	Remember	
	or			
	a. Differentiate between Joint Venture and Consignment. b. Explain the features of Consignment. Who are its parties?	CO5	Understand	
4	On 1st April, 2021, A Ltd. issued 43,000 shares of Rs. 100 each payable as follows: Rs. 20 on application; Rs. 30 on allotment; Rs. 25 on 1st October, 2021; and Rs. 25 on 1st February, 2022. By 20th May, 40,000 shares were applied for and all applications were accepted. Allotment was made on 1st June. All sums due on allotment were received on 15th July; those on 1st call were received on 20th October. Journalise the transactions when accounts were closed on 31st March, 2022.	CO4	Analyze	
	or			
	X Co. Ltd. was incorporated with an authorized share capital of 90,000 equity shares of Rs. 10 each. The company purchased land and buildings from Y Co. Ltd for Rs. 4,00,000 payable in fully paid-up shares of the company. The balance of the shares were issued to the public, which were fully subscribed and paid for. You are required to pass Journal Entries and to prepare the Balance Sheet.	CO4	Apply	

Section III

Application based questions

From the following Receipt and Payment Account and additional information relating to Excellent Cricket Club, prepare Income and Expenditure Account for the year ended March 31, 2015 and Balance Sheet as on date. Donations and Surplus on account of tournament are to be kept in Reserve for a permanent pavilion. Subscriptions due on March 31, 2015 were Rs. 42,000. Write-off fifty per cent of sports materials and thirty per cent of printing and stationery.

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance b/d (Cash in Hand)	18,000	Balance b/d (bank overdraft)	16,000
Member's subscriptions	2,50,000	Upkeep of field and pavilion	1,15,000
Member's admission fee	15,000	Tournament expenses	40,000
Sale of old sports materials	2,500	Rates and Insurance	10,000
Hire of ground	28,000	Telephones	3,500
Subscription for tournament	60,000	Postage and Courier charges	4,000
Life membership fee	20,000	Printing and Stationery	26,000
Donations	6,00,000	Miscellaneous expenses	4,400
		Secretary's honorarium	30,000
		Grass seeds	2,600
		Investments	6,00,000
		Purchase of sports materials	68,000
		Balance c/d	74,000
	9,93,500		9,93,500

Assets at the beginning of the year were:

	Rs.
Play ground	5,00,000
Cash in hand	18,000
Stock of sports materials	85,000
Printing and Stationery	11,000
Subscriptions receivable	28,000

CO3 Create

OR

Following is the Receipt and Payment Account of an Entertainment Club for the period April 1, 2016 to March 31, 2017. Receipt and Payment Account for the year ending March 31, 2017

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance b/d		Salaries	24,000
Cash	27,500	Electric bill	21,000
Bank	60,000	Food stuff for restaurant	60,000
Member's subscriptions:		Telephone bill	35,000
2015-2016	12,500	Subscription for periodicals	14,500
2016-2017	1,00,000	Printing and stationery	13,000
2017-2018	10,000	Sports expenses	50,000
Sale of furniture (book value: Rs. 8,000)	10,000	Secretary's honorarium	30,000
Sale of food stuffs	1,00,000	8% Investments (31.3.2017)	1,00,000
Sale of old periodicals and newspapers	3,200	Balance c/d:	
Hire of ground used for marriage	48,750	Cash	21,500
Donation for sports fund	25,000	Bank	45,000
Locker Rent	17,050		66,500
	4,14,000		4,14,000

Additional Information

- The club had 225 members, each paying an annual subscription of Rs. 500. Subscription outstanding as on 31 March 2016 Rs. 15,000.
 - Telephone bill outstanding for the year 2016-2017 is Rs. 2,000.
 - Locker Rent Rs. 3,050 outstanding for the year 2015-16 and Rs. 1,500 for 2016-17.
 - Salary outstanding for the year 2016-17 Rs. 4,000.
 - Opening Stock of Printing and stationery Rs. 2,000 and closing stock of printing and stationery is Rs. 3,000 for the year 2016-17.
 - On 1st April 2016 other balances were as under:
Rs.
Furniture 1,00,000, Building 6,50,000, Sports fund 15,000
 - Depreciation Furniture and Building @ 12.5% and 5% respectively assuming that it is on reducing balance for the year ending March 31, 2017
- Prepare Income and Expenditure account and Balance Sheet as on that date.

CO3 Create

1 x 20 = 20

COURSE OUTCOME

- CO 1: Understand and apply the concept of royalties and short working in accounting, and demonstrate the ability to prepare journal entries and ledger accounts for landlords and lessees.
- CO 2: Demonstrate a strong grasp of accounting principles and practices related to branch accounting, distinguishing between dependent and independent branches, and foreign branches.
- CO 3: Gain a comprehensive understanding of the specialized accounting techniques used in non-profit organizations, and expertly prepare and interpret Receipt & Payment Accounts, Income & Expenditure Accounts, and Balance Sheet
- CO 4: Develop a thorough understanding of the various aspects related to share capital, including different types of shares, and effectively apply the accounting treatment for share capital, issuance of rights and bonus shares.
- CO 5: Demonstrate proficiency in understanding the details of consignment accounting, including various types of commissions, valuation of unsold stock, wastage of stock, and effectively manage joint venture accounts and their associated accounting records