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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION: MAY- 2024

SEMESTER - II

Sub.: Fundamentals of Financial Accounting - II (BBA22-212)

Date : 16/05/2024

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. is a phased approach to settling the financial obligations of a dissolved partnership.
 - a) Piecemeal distribution
 - b) Last
 - c) None of the given
 - d) Never
2. are Internal Liabilities.
 - a) Partners Loan
 - b) Creditors
 - c) Bank Loan
 - d) None of the given
3. Profit and loss should be distributed in among partners on dissolution of partnership.
 - a) Profit Sharing Ratio
 - b) Capital Sharing Ratio
 - c) Equally
 - d) All of the given
4. In consignment, is treated as a master.
 - a) Consignor
 - b) Agent
 - c) Servant
 - d) All of the given
5.business is a temporary Partnership.
 - a) Joint Venture
 - b) for 10 years
 - c) Permanent
 - d) All of the given

Q. 2. State True / False (05)

1. Advertisement Expenses are apportioned among departments on the basis of departmental sales.
 - a) True
 - b) False
2. When goods are transferred from one department to other department, they are called inter-departmental transfers.
 - a) True
 - b) False
3. A principal-agent relationship exists between the consignor and the consignee
 - a) True
 - b) False
4. Del-creder commission is an additional commission payable to consignee by consignor on total sales amount for making sales at above specific price or at above invoice price.
 - a) True
 - b) False
5. A joint venture (JV) is a business arrangement where two or more independent entities combine their resources and expertise to create a new entity.
 - a) True
 - b) False

Q. 3. Write Short notes on (Any Three) (15)

1. Piecemeal Distribution of Cash
2. Departmental Accounting
3. Types of Commission in consignment
4. Benefits of Joint Venture
5. Joint Venture v/s Partnership Business

Q. 4. Answer in detail (Any Two) (20)

1. Miss. Teena, the proprietor of Novel Engineering sent on consignment to Mr. Deepak, 100 sewing machines costing ₹300 each. The machines were sent at an invoice price which is 25% above cost price. Miss Teena spent ₹800 on freight and insurance. Mr. Deepak received a delivery of 90 machines, 10 being lost in transit, and paid ₹500 for carriage etc. Mr. Deepak sold 70 machines on credit at ₹500 each. He found 5 machines defective and therefore, returned them to consignor at a cost of ₹60. He is entitled to a commission at 5% on invoice price, 10% on surplus price realised and 1% delcredere commission.
Show Consignment A/c and Consignee's A/c in the books of Novel Engineering.

2. M/s Saraswati is a departmental store having three departments X, Y and Z. The information regarding for the year ended 31st March, 20X1 are given below:

Particulars	X Amt	Y Amt	Z Amt
Opening Stock	36,000	24,000	20,000
Purchase	132,000	88,000	44,000
Debtors at end	15,000	10,000	10,000
Sales	180,000	135,000	90,000
Closing stock	45,000	17,500	21,000
Value of furniture in each department	20,000	20,000	10,000
Floor space occupied by each department (in sq. ft.)	3,000	2,500	2,000
Number of employees in each Department	25	20	15
Electricity consumed by department (in units)	3000	200	100

The balance of other revenue items in the books for the year are given below:

Particulars	Amount
Carriage inwards	3,000
Carriage outwards	2,700
Salaries	48,000
Advertisement	2,700
Discount allowed	2,250
Discount received	1,800
Rents, Rates and Taxes	7,500
Depreciation on furniture	1,000
Electricity expenses	3,000
Labour welfare expenses	2,400

You are required to prepare Departmental Trading and Profit and Loss Account for the year ended 31st March, 20X1 after provision for Bad Debts 5%.

3. X and Y entered into Joint Venture to sell a consignment of timber . They decided to share profits and losses equally. X provides timber from stock at mutually agreed value of ₹ 50000. He paid expenses amounting to ₹ 2500. Y incurred further expenses on cartage, storage and collieage of ₹ 6500 and received cash for sales ₹30,000. He also took over goods to the value of ₹ 10,000 for his own use. At the close, X took over the balance stock in hand which was valued at ₹ 11000.

Pass Journal Entries to record the above transactions in the books of X.

4. Explain how joint venture helps business to increase its profitability with suitable examples.

- Q. 5.** A, B, and C are carrying on business in partnership has decided to dissolve it on and from 31st Dec 2022. The following was the balance sheet on that date: **(15)**

Liabilities	Amt. ₹	Assets	Amt. ₹
Capital Account:	1,40,000	Fixed assets	1,60,000
A 60,000		Current assets	88,000
B 30,000		Banks	52,000
C 50,000			
General Reserves	60,000		
Mr. A's loan	20,000		
Mr. B's loan	40,000		
Creditors	40,000		
	3,00,000		3,00,000

It was decided that after keeping aside an amount of ₹ 4,000 for estimated realisation expenses, the available funds should be distributed amongst the partners as and when realised. The following are the realisation:

January 2022 (first) 60,000

February 2022 (second) 1,52,000

March 2022 (third) 30,000

Actual realisation expenses amounted to ₹ 4,000 at the end. You are requested to submit a statement showing distribution of cash among the partners under excess capital method.