

**Khudiram Bose Central College**  
**Internal Examination, 2020**  
**Financial Accounting II**  
**Semester III (Honours and General)**  
**Paper Code: CC3.1 Ch for Hons./ CC3.1 Cg for General**

**Date of Examination- 27.02.2021**  
**Time of Examination- 1:00 pm to 1:30 pm**

**Answer any two questions out of the following questions: (2x5)**

1. Rain and Storm are partners with 4:1 profit sharing ratio. They admit Dust as partner for 1/3<sup>rd</sup> share agree to share future profits equally between themselves. Dust pays Rs. 30,000 as his share of premium for goodwill. Pass **journal entries** assuming Dust brings in Furniture Rs. 30,000, Stock Rs. 40,000 and Machinery Rs. 20,000 towards his capital.

2. Magma Ltd. has its head office in Kolkata with a branch in Mumbai. Goods are invoiced to the branch at cost plus 25%, which is the selling price. From the following particulars for the year ended March 31<sup>st</sup>, 2020, prepare **Branch Stock Account and Branch Stock Adjustment** Account in the books of the Head Office.

Particulars	Rs.
Opening Stock at Branch (1.4.2019) (Invoice Price)	30,000
Goods Sent to Branch (Invoice Price)	5,00,000
Cash Sales	1,90,000
Credit Sales	2,79,000
Returns from Debtors	5,000
Closing Stock at Branch (31.3.2020) (Invoice Price)	54,000

3. Date of taking over of business: 1.4.2019; Date of Incorporation: 1.8.2019; Date of commencement of Business 1.10.2019. Year ending: 31.3.2019; Total Sales during the year 2019-20: Rs. 9, 60,000. Calculate the **Sales Ratio** if the monthly average of turnover during the first four months of 2019-20 was half the corresponding figure for the remaining period.

4. Distinguish between Operating Lease and Finance Lease.

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