INDIRA UNIVERSITY, PUNE

SCHOOL OF COMMERSCE & ECONOMICS- BCOM

Term End Examination (2025 Pattern) April- May – 2026- Semester – II

Course Name: Financial Accounting-II **Max. Marks: 50**
Course Code: 25COM201T **Time: 2:30 Hrs.**

Instructions
1. Question No. 1 & 6 are Compulsory.
2. Attempt any 3 questions from question No. 2 to.5.
3. Use of calculator is allowed.

Q. 1)	**Multiple choice question.** **(6 Marks)** **1. Accounting standards in India are issued by:** A) ICAI. B) ICICI. C) ICSE. D) CBSE. **2. How is the Gross profit calculated for a fire claim?** A) Based on the current year's sales. B) Based on the % of previous years' Gross Profit. C) It is always assumed to be 25%. D) Based on the Net Profit ratio. **3. Goodwill is :?** A) Current Asset B) Fictitious Asset C) Intangible Asset D) Tangible Asset **4. Average Profit =** A) Average Profit + Normal Profit B) Average Profit – Normal Profit C) Total Profit / Number of Years D) Capital Employed × Normal Rate of Return **5. According to AS 13, 'Investments' are assets held by an enterprise for:** A) Consumption in the production process. B) Resale in the ordinary course of business. C) Earning income by way of dividends, interest, and rentals, or for capital appreciation. D) Personal use by the directors.	CO1

	6. Property, Plant and Equipment (PPE) are ……. Assets. A) Current B) Liquid C) Non-Current D) Intangible	
Q. 2)	**Attempt the questions.** A) Race Ltd. has constructed a fixed asset. The cost of the project is given below: Material Rs. 52,00,000 Direct Expenses Rs. 7,00,000 Total Wages for the year (50% chargeable to the project) Rs. 4,80,000 Depreciation on assets used for the project Rs. 30,000 Calculate cost of the asset to be shown in the Balance Sheet. **(6 Marks)** B) Bhagya Ltd. purchased a plot of land for Rs. 20,00,000 and constructed a building on it at a cost of Rs. 70,00,000. It has also incurred the following expenses in the process. **(6 Marks)** Stamp duty and Registration of land Rs. 2,00,000 Demolition of old building Rs. 3,00,000 Architect's and Engineer's fees for the Building Rs. 2,80,000 Government due on construction Rs. 70,000 Municipal Corporation Charges Rs. 40,000 Fencing around the plot of Land Rs. 2,00,000 Calculate cost of the Land to be shown in the Balance Sheet.	CO5 CO5
Q. 3)	On 28th February 2022, in Volatile Ltd., the entire stock except stock costing Rs. 62,000 was destroyed due to fire. Determine the amount of loss on the basis of following information. **(12 Marks)** Stock on 1st April, 2020 Rs. 1,80,000 Stock on 31st March, 2021 Rs. 1,12,500 Purchases during the year ended 31st March 2021 Rs. 7,00,000 Purchases during the year 2021-22 (till the date of fire) Rs. 7,30,000 Sales during the year ended 31st March 2021 Rs. 10,00,000 Sales during the year 2021-22 (till the date of fire) Rs. 8,00,000 In the company, the stock is valued 10% below the cost.	CO5

Q.4) Maximin Ltd., Nagpur agreed to purchase business of a partnership firm. For that purpose Goodwill is to be valued at 2 year's purchase of the average profits of last 5 year's — CO5

Year	2017	2018	2019	2020	2021
Profit/Loss (In Rs)	1,40,000 (P)	1,20,000 (L)	1,40,000 (P)	1,80,000 (P)	2,20,000 (P)

Calculate the value of Goodwill by following Average Profit Method. **(12 Marks)**

Q.5) Bajaj Finance Co. Ltd. Purchased on 1st March, 2020 Rs. 24000 5% Krishna Vikas Bond at 90 cum interest. Stamp and other expenses on purchase amounted to Rs. 20 and the brokerage at 2% was charged on cost. — CO5

Interest for the half year was received on the due date.

On 1st September 2020 Rs. 10,000 of stock was sold at 92 ex-interest less brokerage at 2%.

On 30th September, 2020 Rs. 8,000 of stock was purchased at 91 ex-interest plus brokerage at 2% and the stamps and other expenses amounted to Rs. 10.

On 1st December, 2020 Rs. 6,000 of stock was sold at 94 cum interest less brokerage 2%.

Interest is payable on 31st March and 30th September each year.

The Market price of stock on 31st December, 2020 was 88.5%

Prepare Investment accounts for the year ended December 2020 **(12 Marks)**

Q.6) **Write short notes. [Any 2 out of 3]** **(8 Marks)** — CO2

1. Insurance Claims
2. Valuation of Goodwill
3. Accounting for Investments