

Reg. No. :

Name :

**Fourth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,
February 2023**

Paper II : ADVANCED FINANCIAL ACCOUNTING

(2013-2019 Admission)

Time : 3 Hours

Max. Marks : 80

I. Answer any **five** questions. Each question carries **2** marks.

1. What is branch accounting?
2. What is fluctuating capital account?
3. Define interest on drawings
4. What is reconciliation account?
5. What do you mean by limited liability partnership?
6. What is gaining ratio?
7. What is admission of a partner?

(5 × 2 = 10 Marks)

II. Answer any **four** of the following. Each question carries **4** marks.

1. Explain the debtor's system in branch accounting.
2. Explain the characteristics of partnership.
3. Describe the treatment of goodwill in the case of admission of a partner

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4. A and B are partners sharing profits in the ratio of 3:1. C is admitted in the firm with $\frac{1}{8}$ th share, which he acquires $\frac{1}{32}$ from A and $\frac{3}{32}$ from B. Calculate the new profit-sharing ratio.
5. A and B are equal partners with capitals of Rs.30,000 each. They admit C as a partner with $\frac{1}{4}$ th share in the profits of the firm. C brings Rs.30,000 as his share of capital. As the profit and loss account showed a credit balance of Rs.15,000 as on date of admission of C. Calculate C's share of goodwill.

(4 × 4 = 16 Marks)

III. Answer any **four** questions. Each question carries **6** marks.

1. Explain about revaluation of assets and liabilities.
2. Define partnership deed. What are its features?
3. What is super profit-Explain?
4. A and B are partners sharing profits and losses in the ratio of 3:2. C is admitted in to partnership with $\frac{1}{8}$ th share in the profits. The new profit-sharing ratio agreed between A and B is 4:3. Calculate sacrificing ratio.
5. A, B and C are partners sharing profits in the ratio of 5:3:2. A retires and for this purpose goodwill is valued at Rs.25,000. Continuing partners agree that their new profit sharing ratio shall be equal. Pass necessary journal entry.

(4 × 6 = 24 Marks)

IV. Answer any **three** questions. Each question carries **10** marks.

1. The Kanpore Shoe company opened a branch at Delhi on 1st April 2013. From the following figures prepare Branch Account for the year ended 31st March 2015:

	2019-20	2020-21
Goods sent to Delhi Branch	2,15,000	6,45,000
Cash sent to Branch for:		
Rent	31,800	31,800
Salaries	33,000	45,000
Other expenses	11,200	21,600
Cash received from the Branch	3,24,000	8,60,000
Closing Stock	32,300	65,800
Closing petty cash in hand	1,040	2,030

2. The Balance Sheet of a firm as on 31st March, 2019 was as under:-

Liabilities :

Capital Account

A	5,000	
B	4,000	
C	3,000	12,000
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Sundry creditors		3,500

Total		<hr/>
		15,500

Assets :

Freehold property	8,000
Investments	2,000
Book debts	1,000
Cash at bank	3,000
Stock	1,500
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Total	15,500

The partnership was dissolved on the above date.

Investments	1,900
Freehold Property	9,000
Book debts	900
Stock	1,400

The creditors were paid in full. The expenses of realization came to Rs.100. Pass necessary accounts in the books of the firm.

3. A and B are Partners in a firm sharing profits and losses in the ratio of 3:2. Their balance sheet as on 1st April 2003 showed the following position:

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	14,000	Cash at Bank	1,400
Bills Payable	6,000	Sundry debtors	21,600
Bank overdraft	20,000	Stock in trade	15,000

Liabilities	Rs.	Assets	Rs.
Capitals :		Furniture and Fixtures	7,000
A	25,000		
B	30,000		
	55,000	Buildings	50,000
Total	<u>95,000</u>	Total	<u>95,000</u>

On the above date, they admit V into partnership on the following terms:

- (a) V should bring Rs.20,000 as capital and Rs.30,000 for goodwill for 1/6 share
- (b) The assets should be revalued as under:
 - (i) Buildings at Rs.44,000
 - (ii) Furniture and Fixtures at 10% less
 - (iii) Stock in trade at Rs.17,800
 - (iv) A provision of Rs.800 created for doubtful debts.

Prepare necessary accounts in the books of the firm.

4. Explain the meaning of goodwill and the factors affecting goodwill.

(3 × 10 = 30 Marks)
