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Reg. No. : ....

Name : ....

Fourth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination, March 2026

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 do you mean by wholesale branch?
2. What is realisation account?
3. Define old ratio.
4. What is fixed capital account?
5. Define insolvency.
6. What is hidden goodwill?
7. Define depreciation.

(5 × 2 = 10 Marks)

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

8. Explain the need for valuation of goodwill in partnership and its features.
9. Distinguish between branch accounts and department accounts.
10. How are accumulated profits and losses deal with when a partner retires from a firm?

P.T.O.

11. What are the essential features of the rule Garner v/s Murray?

12. A and B are partners sharing profits in the ratio of 3 :1 C is admitted as a partner in the firm. A surrendered 1/32 of his share of B 3/32 of his share in favour of C. Calculate the new profit sharing ratio of the partners.

(4 × 4 = 16 Marks)

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

13. Explain the right of partners.

14. Write a note on independent branches.

15. What is compulsory dissolution?

16. Explain the different methods of valuation of goodwill in the case of admission of a partners.

17. A, B and C are partners sharing profits in the ratio of 4 : 3 : 2. Calculate the gaining ratio when B retires from the firm.

(4 × 6 = 24 Marks)

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

18. A head office in Chennai has a branch in Delhi to which goods are invoiced by the head office at 20% of profit on sale price. All cash received by the branch is daily remitted to head office. From the following particulars, show branch account in the books of head office. Entries are to be made at invoice price.

		Rs.
Stock on January 1, 2021 (at invoice price)		62,500
Debtors on 1.1.2021		60,000
Goods supplied by the H.O		2,00,000
Cash sales		80,000
Cash received from customers		1,47,500
Cash returned to the head office		12,000
Cheque received from the H.O		
Wages and salaries	55,000	
Rent, rates and taxes	15,000	
Sundry expenses	2550	72,550
Stock on 31.12.2021 (invoice price)		75,000
Debtors on 31.12.2021		1,12,500
Liability for petty expenses		550

19. A and B carrying on business in partnership and sharing profits and losses in the ratio of 3:2 respectively, admitted C as a new partner. On 31st December 2021, when the balance sheet was as follows.

Liabilities	Rs.	Assets	Rs.
Sundry creditors	15,000	Cash	1,000
General reserve	6,000	Debtors	15,200
A's capital a/c	18,000	Stock	18,100
B's capital a/c	14,000	Furniture	8,700
		Buildings	10,000
	53,000		53,000

The terms C's admission were as follows :

(a) C would get 1/4th share in future profits

(b) Goodwill would be valued at Rs. 40,000

(c) C would bring in Rs. 25,000 as his share of capital and goodwill

(d) Buildings would be appreciated by 25% and a provision for bad debts would be created for Rs. 2,200

(e) Capital accounts of all partners would be in their profit sharing ratio, the necessary adjustments being made in cash.

Show revaluation a/c, capital accounts and balance sheet of the new firm.

20. Retirement of a partner results in the reconstitution of a firm. Comment.

21. Explain different capital accounts of partners.

(3 × 10 = 30 Marks)