

Reg. No. :

Name :

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

**Paper II : ADVANCED FINANCIAL ACCOUNTING
(2020 Admission)**

Time : 3 Hours

Max. Marks : 80

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

1. What do you mean by Interdepartmental transfer?
2. What is a Profit and loss Appropriation A/c?
3. Name the methods for valuation of Good will.
4. What is Del-credere Commission?
5. Define Joint Ventures.
6. What is an Independent Department?
7. What do you mean by Pro-forma Invoice?

(5 × 2 = 10 Marks)

II. Answer any **four** questions. Each question carries **4** marks.

8. State the objectives of Branch account.
9. What are the rules that should be followed in the absence of Partnership deed?
10. Goods are transferred from Department P to department Q at a price 50% above cost. If closing stock of Department Q is Rs. 27,000. Compute the amount of stock reserve.

P.T.O.

11. The firm of P, Q and R earned Rs. 4,00,000 average profit during the last three years. The capital employed in the business was Rs. 6,00,000. Normal rate of return of industry is 8%. Calculate the good will of the firm by capitalising the super profits.
12. Explain the treatment of abnormal loss in consignment accounting.
13. State the features of Joint Venture.

(4 × 4 = 16 Marks)

III. Answer any four questions. Each question carries 4 marks.

14. The Vijayalakshmi Trading Company Ltd Bangalore has a branch at Mangalore. The head office pays all expenses except petty expenses which were met by the branch. All cash received by the branch was remitted to the head office daily. The following are the transactions between head office and branch during the year ending 31st December 2018.

	Rs.
Stock at branch 1 st January 2018	7,000
Branch debtors on 1 st January 2018	2,000
Petty cash on 1 st January 2018	200
Goods sent to branch during the year	30,000
Cash sales	40,000
Credit sales	20,000
Cash received from the debtors	16,000
Goods returned by the branch	1,000
Returns from customers	1,500
Cheque sent to branch for expense:	
Salary	3,000
Rent	1,000
Petty cash	500
Total:	4,500
Stock at branch on 31 st December 2018	4,000
Branch debtors on 31 st December 2018	4,500
Petty cash at branch on 31 st December 2018	300

Prepare the Mangalore Branch account in the Bangalore office books.

15. A Company consigned 200 boxes of Rs. 100 each at an invoice price of Rs. 120 per box. The Company paid Rs. 1,200 as forwarding expenses. Agent received the consignment and paid Rs. 800 on carriage. Rs. 1,000 on godown rent and charged 10% commission on sales. He sold 150 boxes @ Rs.200 per box. He informed that 20 boxes were lost by theft in godown. Prepare Consignment Account in the books of the Company.
16. Z Ltd has three departments and submits the following information for the year ending on 31st March 2020.

Particulars	A	B	C	Total
Purchases (units)	6,000	12,000	14,400	
Purchases (amount)				6,00,000
Sales (unit)	6,120	11,520	14,976	
Selling Price (per units)	40	45	50	
Closing Stock (units)	600	960	36	

You are required to prepare departmental trading account of Z Ltd. assuming that the rate of profit on sales is uniform in each case.

17. Sohail and maham are partners in a firm sharing profit in the ratio of 5:3. The partnership agreement provided that Sohail was to be paid salary of Rs. 1,500 per month and Maham was to get a commission of Rs. 12,000 per year. Interest on capital was to be allowed @4% pa. and interest on drawings was to be charged @5% pa. Interest on Sohails drawings was Rs.1,800 and Maham's drawings was Rs. 1.200. Capital of Sohail was Rs. 1,40,000 and Maham Rs. 1,00,000. The firm earned a profit Rs, 75,000 for the year ended December 31st 2019. Prepare Profit and Loss Appropriation A/c.
18. Make a distinction between Consignment and Sale.

(4 × 6 = 24 Marks)

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

19. The following purchases were made by a business house having three departments:

Department A: 1000 units

Department B: 2000 units

Department C: 2400 units

Total cost of purchases: Rs. 1,00,000

Opening stock: Department A: 120 units: Department B: 80 units; Department C: 152 units

The sales were:

Department A 1020 units @ Rs. 20 each.

Department B 1920 units @ Rs. 22.50 each,

Department C 2496 units @ Rs. 25 each.

The rate of gross profit is the same in each case. Prepare Departmental Trading A/c.

20. X, Y and Z are partners of the firm XYZ and Co. Sharing profits and losses in the ratio of 4:3:2, Following is the Balance sheet of the firm as at 31st March 2021:

Liabilities	Amount	Assets	Amount
Partner's capitals:		Fixed Assets	5,00,000
X	4,00,000	Stock in trade	3,00,000
Y	3,00,000	Sundry debtors	5,00,000
Z	2,00,000	Cash in hand	10,000
General Reserve	90,000		
Sundry Creditors	3,20,000		
	<u>13,10,000</u>		<u>13,10,000</u>

Partners of the firm decided to dissolve the firm on the above said date:

Fixed assets realised Rs. 5,20,000 and book debts Rs. 4,40,000.

Stocks were valued at Rs. 2,50,000 and its was taken over by partner Y.

Creditors allowed discount of 5% and the expenses of realisation amounted to Rs. 6,000

You are required to prepare:

- (i) Realisation Account
 - (ii) Partners capital account
 - (iii) Cash account
21. Mr. A consigned 200 cycles @ Rs. 500 each and paid Rs. 3000 on freight. During the transit 20 cycles were lost by theft. Mr. B received the remaining stock and paid Rs. 3600 on its clearing, He sold 150 cycles @ Rs. 800 per cycle. He was entitled For 10% commission on sales, he paid Rs. 5000 as miscellaneous expenses. Prepare Consignment Account in books of Mr.A.
22. State the difference between Partnership and Joint Venture.

(3 × 10 = 30 Marks)