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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

(2020 Admission Onwards)

Time : 3 Hours Max. Marks : 80

SECTION – A

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

1. Explain a partnership deed.
2. What is realization account?
3. What is LLP?
4. What is consignment accounting?
5. What is loss in transit?
6. What is a joint venture?
7. Mention two type of branch accounting.

(5 × 2 = 10 Marks)

SECTION – B

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

8. Differentiate between consignment and sales.
9. X, Y and Z are partners sharing profits in the ratio 4:3:3. Y retires, and his capital is settled at Rs.50,000. He is paid by cheque. Pass the journal entry for the payment made to Y.
10. Explain the treatment of interdepartmental transfer.

P.T.O.

11. Explain the advantages of departmental accounts.

12. The average profit of a firm is Rs. 80,000. The normal rate of return on capital employed is 10%. Capital employed is Rs. 5,00,000. The firm expects to earn super profits for the next 5 years. Calculate Goodwill using the super profit method and purchase of 5 years.

13. Mr. A of Kochi sends goods worth Rs. 20,000 to Mr. B of Mumbai on consignment.
Mr. A pays Rs.1,000 as freight and insurance. Mr. B sells the goods for Rs. 30,000 and earns 5% commission. He also incurs Rs.500 as selling expenses. Calculate the consignment profit.

(4 × 4 = 16 Marks)

SECTION – C

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

14. The head office of ABC Ltd. sends goods to its branch at cost. The following details relate to its Chennai branch for the year ended 31st March 2025 :
Opening Stock: Rs. 20,000; Goods sent to branch: Rs. 60,000; Sales at branch: Rs.75,000; Branch Expenses paid by H.O.: Rs. 8,000; Closing Stock: Rs. 15,000. Prepare Branch Account in the books of Head Office under the Debtors System.

15. The following details are extracted from the books of a firm having two departments – Dept. A and Dept. B:

Particulars	Dept. A	Dept. B
Sales	Rs. 80,000	Rs. 60,000
Opening Stock	Rs. 10,000	Rs. 8,000
Purchases	Rs. 40,000	Rs. 30,000
Wages	Rs. 5,000	Rs. 3,000
Closing Stock	Rs. 12,000	Rs. 7,000
Rent and Rates (Total)	Rs. 6,000	

Rent and Rates are to be apportioned in the ratio of 2:1. Prepare the Departmental Trading and Profit & Loss Account.

16. X and Y entered into a joint venture to sell used furniture. Profits and losses are to be shared in the ratio 3:2. The following transactions took place:

X purchased goods worth Rs. 30,000 and paid Rs. 1,000 for transport

Y sold the entire goods for Rs. 50,000 and incurred Rs. 2,000 as selling expenses

Y took unsold goods worth Rs. 5,000 at cost

Prepare Joint Venture Account in the books of X.

17. A, B and C are partners in a firm sharing profits and losses in the ratio of 3:2:1. On 31st March 2025, the firm is dissolved. The Balance Sheet of the firm on that date is as follows. Prepare realisation account.

Balance Sheet as on 31st March 2025

Liabilities	Amount	Assets	Amount
Creditors	20,000	Cash	10,000
A's Capital	30,000	Debtors	20,000
B's Capital	20,000	Stock	30,000
C's Capital	10,000	Furniture	10,000
		Building	10,000
Total	80,000	Total	80,000

Other informations :

Debtors were realized at Rs. 18,000

Stock was sold for Rs. 25,000

Furniture realized Rs. 6,000

Building realized Rs. 12,000

Creditors were paid Rs. 19,000

Realisation expenses amounted to Rs. 1,000

18. What is a branch adjustment account? Why is it prepared?

(4 × 6 = 24 Marks)

SECTION – D

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

19. Explain the difference between joint venture and partnership.

20. Mr. Ramesh of Kochi consigned 100 units of goods costing Rs.500 each to Mr. Suresh of Chennai to be sold at a profit of 20% on cost. Ramesh paid Rs.2,000 for freight and insurance. Suresh received the goods and incurred Rs.1,000 for godown rent and selling expenses. He sold 80 units for Rs.600 each.

    Suresh is entitled to 5% commission on sales. The remaining goods are unsold at the end of the period.

    Prepare the ledger accounts in the books of consignor and consignee.

21. ABC Ltd. has a branch in Kolkata. The Trial Balance of the Kolkata Branch as on 31st March 2025 is given below:

Trial Balance

Particulars	Debit (Rs.)	Credit (Rs.)
Opening Stock	20,000	
Purchases	60,000	
Wages	10,000	
Salaries	5,000	
Rent and Taxes	4,000	
Debtors	25,000	
Furniture	10,000	
Cash at Bank	6,000	
Sales		1,00,000
Creditors		15,000
Goods from Head Office		10,000
Head Office A/c		5,000
Closing Stock		10,000
Total	1,40,000	1,40,000

Pass journal entries in the books of Head Office to incorporate the branch trial balance.

22. How do you record the loss in consignment in the book of accounts? Explain with a sample illustration.

(3 × 10 = 30 Marks)