

Reg. No. : .....

Name : .....

**Fourth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,  
April 2024**

**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. Define LLP.
2. What is profit sharing ratio?
3. What is interest on capital?
4. Define Dissolution of firm.
5. What do you mean by independent branches?
6. What is cost price method?
7. Define sacrificing ratio.

**(5 × 2 = 10 Marks)**

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

1. Explain about inter branch transactions.
2. What are the different forms of reconstitution of partnership firms?
3. Explain different types of capital accounts.

P.T.O.

4. What is guarantee of profit to a partner?
5. A and B are partners sharing profits and losses in the ratio of 2:1. A withdraws Rs.2000 p.m. regularly on the first day of every month during 2014 for personal purposes. If interest on drawings is charged at 12% p.a. Calculate the interest on drawings of A.

(4 × 4 = 16 Marks)

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

1. Write a note on stock and debtors system.
2. Explain the essential features of partnership.
3. Write a note on treatment of goodwill at the time of retirement of a partner.
4. What is insolvency? Explain its reasons.
5. X, Y and Z are partners sharing profits in the ratio 5:3:2. Z retires and the total goodwill is valued at Rs.80,000. Give necessary entry in the books of the firm regarding treatment of goodwill.

(4 × 6 = 24 Marks)

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

1. A company with its head office at Mumbai has a Branch at Kolkatta. The branch receives all goods from Head office who also remits cash for all expenses. Sales are made by the Branch on credit as well as for cash.

Total sales by Branch for the year ended 31<sup>st</sup> March 2022, amounted to Rs.5,60,000 out of which 20% is cash sales. The following further information is relevant.

	1.04.21 (Rs.)	31.03.22 (Rs.)
Stock in trade	25,000	36,000
Debtors	60,000	48,000
Petty cash	120	180



Expenses actually incurred by the Branch during the year were: Salaries Rs.36,000, Rent Rs.12,000, Petty expenses Rs.5,600. All sales are made by the branch at cost plus 25%.

You are required to prepare the Kolkatta Branch Account in the Books of Head office for the year ended 31<sup>st</sup> March 2022.

2. M, D and P are in partnership sharing profits and losses in the ratio of 3:2:1. Their balance sheet as on 31<sup>st</sup> Dec 2021 as follows.

Balance sheet

Liabilities	Rs.	Assets	Rs.
Creditors	30,000	Cash at Bank	2,400
P & L A/c	12,000	Sundry debtors	40,000
Capitals :		Less provision	<u>2000</u>
M	35,000	Stock	49,600
D	35,000		
P	<u>28,000</u>		
	98,000	Vehicle	50,000
	<u>1,40,000</u>		<u>1,40,000</u>

D retired from, the business on 31<sup>st</sup> Dec. 2021 on the following terms.

- Vehicle to be valued at Rs.45,000 and stock to be valued at Rs.45,000
- Provision for doubtful debts to be increased to 75% of debtors.
- Creditors include an amount of Rs.2,000, not likely to be claimed.
- D's share of goodwill is Rs.12,000.

Prepare ledger accounts and balance sheet of M and P immediately after the retirement of D.

3. A, B and C were partners sharing profits and losses in the ratio of 2:2:1 on Jan.1.2021 their balance sheet was as follows:

Liabilities		Assets	
Reserve	10,000	Bank	24,400
Creditors	24,000	Debtors	16,000
Capitals:		Less pro.	<u>400</u>
A	30,000	Stock	12,000
B	24,000	Furniture	4,000
C	12,000	Building	44,000
	<u>1,00,000</u>		<u>1,00,000</u>

Firm was dissolved on that date. Assets realised as follows.

	Rs.
Debtors	14,000
Stock	10,000
Furniture	2,000
Building	50,000

Creditors were settled for Rs.22,000. Expenses of realisation were Rs.2,000. Prepare ledger accounts to close the books of the firm.

4. Explain the different modes of dissolution of firm.

(3 × 10 = 30 Marks)

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