

Reg. No. :

Name :

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

PAPER II : ADVANCED FINANCIAL ACCOUNTING

(2020 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

PART – A

Answer any five questions. Each question carries 2 marks.

1. Why is realisation account prepared?
2. What do you mean by short workings?
3. What is loaded price?
4. What is overriding commission?
5. State the objectives of preparing departmental accounts.
6. Mention any two features of joint ventures.
7. What is an account sales?

(5 × 2 = 10 Marks)

P.T.O.

PART – B

Answer any four questions. Each question carries 4 marks.

8. List any four differences between consignment and sale.
9. Explain the decision in Garner Vs Murray rule.
10. Naren of Mumbai consigned 200 cases of candles costing Rs.180 per case to Hyder stores Ernakulam to be sold on his behalf. He paid Rs.1,600 as freight and insurance. Hyder stores were entitled to a commission of 5% on sales. The expenses paid by the consignee amounted to Rs.2,400. During the year 160 cases were sold at Rs.300 per case. Calculate the value of stock.
11. Explain the types of dissolution in partnership.
12. Find opening branch debtors from the following
Credit sales Rs.51,000., Receipt from debtors Rs.42,500., Closing branch debtors Rs.7,700., Discount allowed Rs.1,800.
13. Write notes on :
 - (a) Minimum rent
 - (b) Restricted recoupment.

(4 × 4 = 16 Marks)

PART – C

Answer any four questions. Each question carries 6 marks.

14. Differentiate between Joint venture and Partnership
15. Khan Ltd sold goods on behalf of Vijay traders on consignment basis. On 1st January, 2009 he had with him a stock of Rs.20,000 on consignment. Khan instructed to sell goods at cost plus 25% and was entitled to a commission of 4% on sales in addition to 1% del credere commission on total sales.

During the year ended 31st Dec 2009, cash sales were Rs.1,20,000, credit sales Rs.1,05,000 and Khans expenses relating to the consignment Rs.3,000, being salaries and insurance. Bad debts were Rs.3,000 and goods sent on consignment Rs.2,00,000. Prepare Consignment account in the books of Vijay Traders.

16. The Delhi traders has a branch at Mumbai and charge all goods sent at cost plus $33\frac{1}{3}$. It is arranged that the cash received by the branch is to be paid daily to the H.O a/c with Indus Bank Ltd. and the necessary advice sent to the Head office. From the following information prepare Branch Account in H.O Ledger for the year ending 31/12/2020.

	Rs.
Stock 1 st Jan 2019	12,000
Goods sent to the	
branch less returns	80,000
Debtors (1.1.19)	1,500
Cash sent to H.O.	77,100
Rent rates, taxes	3,200
Salaries and wages	4,800
Debtors (31.12.19)	1,600
Stock (31.12.19)	14,800

17. Ali of Lahore and Bilal of Karachi entered into joint venture for the sale of a consignment of goods at March 2018, profit and losses to be shared equally. Ali paid Rs.10,000 for goods purchases and consigned to Bilal for Sale. He paid Rs.400 for freight, Rs.350 for brokerage and Rs.100 for sundry expenses. Bilal received these goods and paid Rs.600 for octroi, Rs.200 for warehouse and Rs.90 for insurance. He sold the whole consignment for Rs.16,000.

Prepare joint venture account and co-venturers' accounts.

18. A firm has two departments A and B, The following details pertain to the period ending 31.3.2020

	A (Rs.)	B (Rs.)	Total(Rs.)
Opening stock	5,000	7,000	12,000
Purchases	42,000	52,000	94,000
Sales	80,000	93,000	1,73,000
Purchase returns	2,000	2,000	4,000
Sales returns	2,000	2,000	4,000
Carriage inwards	-	-	4,500
Power	-	-	6,000
Wages	-	-	11,000

Closing stock of Dept. A 2000, and B 9,000 and wages are allocated in the ratio of 5:6 and the number of units consumed by Dept. A and Dept. B are in the ratio of 1:2. Prepare departmental trading a/c in columnar form.

(4 × 6 = 24 Marks)

PART – D

Answer any three questions. Each question carries 10 marks.

19. Following is the balance sheet of Karan and Sandeep who share profits and losses equally as on 31st March 2010

Liabilities	Rs.	Assets	Rs.
Capitals		Bank	40,000
Karan	1,00,000	Debtors	25,000
Sandeep	50,000	Stock	35,000
Creditors	30,000	Machinery	60,000
Workmen compensation fund	15,000	Furniture	40,000
Bank loan	5,000		
	<u>2,00,000</u>		<u>2,00,000</u>

The firm was dissolved on the above date.

- (a) Karan agreed to take over 50% of the stock at 10% less on its book value, the remaining stock was sold at a gain of 15%. Furniture and machinery realized for Rs.30,000 and 50,000 respectively.
- (b) There was unrecorded Investments which was sold for Rs.25,000.
- (c) Debtors realized Rs.31,500 (with interest) and Rs.1,200 was recovered for bad debts written off last year.
- (d) There was an outstanding bill for repairs which had to be paid Rs.2,000. Prepare necessary Ledger accounts to close the books of the firm.

20. Manas Traders with its head office in Delhi opened a branch at Agra on 1-1-2020, Goods are invoiced in the branch at cost plus 25%. From the following particulars, prepare necessary ledger accounts under stock and debtors system

	Rs.	Rs.
Goods sent to Agra at Invoice Price		45,000
Expenses paid by H.O		7,200
Discount allowed to Debtors		50
Bad debts written off		80
Sales		
Cash	21,000	
Credit	12,000	33,000
Stock on 31 st December (at I.P)		11,800
Goods returned to branch (I.P)		600
Good returned by Debtors		500
Cash remitted to H.O.		30,500
Cash in hand on December 31		300

21. Shyam of Kannur consigned 100 units of toys to Deepu of Kanpur. The goods were invoiced at Rs 150 each so as to yield a profit of 50% on cost. Shyam incurred Rs.1,000 on freight and insurance. Deepu incurred Rs.500 on freight and rent. He sold 50 units for cash at Rs.160 per unit. 20 units are Rs.175 per unit on credit. Deepu noticed that 10 units were damaged on account of bad packing and could sell them at Rs.80 per unit. There was a bad debt of Rs.500 due to the insolvency of one of the customers. Deepu settled his account with Shyam by bank draft retaining 5% + 1% del credere commission on sales.

Prepare the necessary ledger accounts in the books of Shyam.

22. Explain Royalty Account. Discuss the accounting entries in the books of Lessee and Lessor.

(3 × 10 = 30 Marks)

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