

Reg. No. :

Name :

**Fourth Semester B.Com. LL.B. (Five Year Integrated)
Degree Examination, March 2025**

Paper II : ADVANCED FINANCIAL ACCOUNTING

(2020 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

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

1. What is Simple Commission?
2. What do you mean by Unrealised Profit on the goods sold?
3. What do you mean by admission of a partner?
4. Name the method of Branch Accounting.
5. What is Cash in Transit?
6. Define commission.
7. How to calculate amount of stock reserve in Departmental accounting?

(5 × 2 = 10 Marks)

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

8. A, B and C were partners in a firm sharing profits and losses in the ration of 2:2:1. On 31st March, 2018 their firm was dissolved On that date provision for bad debts showed a balance of Rs. 4,500 Pass necessary journal entry for the treatment of provision for bad debts on the firm's dissolution.
9. What are the modes of Dissolution of a partnership firm?
10. A firm earned profit of Rs. 3,00,000 during the last few years. The normal rate of return of industry is 15%. The assets of the business were Rs. 17,00,000 and liabilities were Rs. 2,00,000. Calculate the goodwill of the firm by capitalising of average profits.

P.T.O.

11. What is Account Sale? State its contents.
12. State the advantages of departmental accounting.
13. What are the types of Branch?

(4 × 4 = 16 Marks)

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

14. Department A sells goods to Department B at a profit of 50% on cost and to department C at 20% on cost. Department B sells goods to A and C at a profit of 25% and 15% respectively on sales. Department C charges 30% and 40% profit on cost to Department A and B respectively.

Stock lying at different departments at the end of the year are as under:

Particulars	A	B	C
Transfer from Department A		45,000	42,000
Transfer from Department B	40,000		72,000
Transfer from Department C	39,000	42,000	

Calculate the unrealised profit of each department and also total unrealised profit.

15. On 1st January 2016 Lila & Co. of Calcutta consigned 100 cases of Milk Powder to Shila & Co. of Bombay. The goods were charged at a proforma invoice value of Rs. 10,000 including a profit of 25% on invoice price. On the same date the consignor paid Rs. 600 for freight and insurance. On 1st July, the consignees paid import duty Rs. 1,000, dock dues Rs. 200. On 1st August, they sold 80 cases for Rs. 10,500 and sent a remittance for the balance due to the consignor after deducting commission at the rate of 5% on gross sale proceeds. Show the Consignment Account.
16. Explain the treatment of items in Branch Accounts.
17. A head office in Mumbai sends goods to its branch at Bangalore marked 20% above cost. From the following particulars show how the Bangalore branch account will appear in the head office books.

Balance on 1 st July 2018 at the branch :	Rs.
Stock at invoice price	3,600
Debtors	6,000

Petty cash		60
Goods supplied to the branch		60,000
Remittance from the branch:		
Cash sales	12,000	
Amount received from debtors	42,000	54,000
Cheque sent to the branch:		
Salary	1,800	
Rent and taxes	300	
Petty cash	220	2,320
Stock at branch on 31 st December 2018		6,000
Debtors at branch on 31 st December 2018		9,600
Petty cash at the branch on 31 st December 2018		40

18. Supriya and Monjka are partners, who share profit in the ratio of 3:2. Following is the balance sheet as on March 31, 2020. Balance Sheet of Supriya and Monika as on March 31, 2020.

Liabilities	Rs.	Assets	Rs.
Supriyas's capital	32,500	Cash at Bank	40,500
Monika's capital	11,500	Stock	7,500
Sundry Creditors	48,000	Sundry Debtors	21,500
General Reserve	13,500	Less:	
		Provision	500
			21,000
		Fixed assets	36,500
	<u>1,05,500</u>		<u>1,05,500</u>

The firm was dissolved on March 31, 2020. Close the books of the firm with the following information

- Debtors realised at a discount of 5%,
- Stock realised at Rs. 7,000
- Fixed assets realised at Rs. 42,000
- Realisation expenses of Rs. 1,500
- Creditors are paid in full.

Prepare Realisation Account.

(4 × 6 = 24 Marks)

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

19. A opened as branch in Bangalore on 1st Jan 2004 goods were invoiced at selling price which is cost plus 25% from the following particulars relating to the year 2004. You are required to prepare Branch Adjustment a/c under stock and debtors system.

Goods sent to branch	3,00,000
Sales:	
Cash	1,00,000
Credit	1,40,000
Goods returned by customer	3,000
Cash received from customer	80,000
Discount allowed	1,000
Cash remitted to branch:	
Rent:	1,500
Branch Salaries	6,000
Sundry expenses:	1,000
Defective goods written off	1,000
Goods returned by branch	12,000
Stock at the end	50,000

20. A consigned 10,000 Kg of oil @ Rs. 20 per Kg and paid Rs. 4,000 as forwarding expenses B received the consignment and sold 6000 Kg @50 per Kg. He paid Rs. 10,000 as selling expenses e was entitled for 5% commission on sales. He informed that 1000 kg of oil was destroyed by fire. There was a normal loss of 2%. Prepare consignment A/c in the books of A.

21. Brahma Limited has three department and submits the following information for the year ending on 31st March 2021:

Particulars	A	B	C	Total
Purchases (units)	5,000	10,000	15,000	
Purchases (amount)				8,40,000
Sales (units)	5,200	9,800	15,300	
Selling price (per unit)	40	45	50	
Closing Stock (units)	400	600	700	

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

22. State difference between Joint Venture and Consignment.

(3 × 10 = 30 Marks)