

B.Com(A&F) DEGREE EXAMINATION, NOVEMBER 2019
I Year II Semester
Advanced Financial Accounting

Time : 3 Hours

Max.marks :75

Section A ($10 \times 2 = 20$) Marks

Answer any **TEN** questions

1. What do you understand by wholesale branch?
2. What is mean by Inter departmental transfer?
3. What is repossession of stock?
4. What is sacrificing ratio?
5. What is piecemeal distribution?
6. Compute Opening branch debtors form the following
Credit sales:Rs.51,000, Received from debtors by the branch: Rs.42,500
Branch debtors (closing) : Rs7,700 Discount allowed: Rs.1,800
7. Apportion the following expenses on the basis of cost of goods sold ratio among the four department: A,B,C and D
Sales (Rs): A:2,00,000 B:1,50,000 C : 1,00,000 D:50,000
GP ratio: 20% on sales
Expenses: salaries Rs.6,000 Rent & rates Rs.1,500 Insurance: Rs.1,300
8. From the following details, Prepare departmental Trading a/c of Department A
Opening stock:9,000 Total Purchase:Rs.27,000 Total sales:Rs.42,000 Closing stock Rs.10,800
Credit purchases Rs.17,000 Credit sales:Rs.5,000
9. Raman purchases a motor car from Bharathan whose cash price is Rs.56,000 on 1.1.2013. Rs.15,000 is paid on signing the contract and the balance is to be paid in three equal instalments of Rs.15,000 each. The rate of interest is 5% p.a. Calculate the amount of interest included in each instalment.
10. X and Y are partners sharing profit in the ratio 3:2. They admit Z as a partner for 1/5th share in future profit. Calculate new ratio.
11. K, M and S are three partners sharing profits in the ratio of 4:3:2. K retires assuming M and S will share profits in future in the ratio of 5:3. Determine the gaining ratio.
12. A partnership firm has three partners A,B and C with capitals as A :Rs.40,000 , B: Rs.20,000 and C:Rs.20,000. The partners share profits and losses in the ratio of 3:2:1 You are required to calculate absolute surplus capital under proportionate capital method of piecemeal distribution.

Section B ($5 \times 5 = 25$) Marks

Answer any **FIVE** questions

13. Distinguish between Branches and Departments.
14. Explain the procedure to maintain accounts of branch under Stock and Debtors system.

15. Vijay & Co of Chennai sends goods to branch at Tanjore at cost plus 25% All cash received by branch is remitted to the Head office. All expenses are paid from Chennai. From the following particulars, show the branch accounts will appear in the books of Head Office.

	Rs.
Stock on 1.1.2018 (Invoice price)	12,500
Stock on 31.12.2018 (Invoice price)	15,000
Debtors on 1.1.2018	12,000
Debtors on 31.12.2018	32,500
Goods invoiced from Chennai	60,900
Remittance to Chennai:	
Cash sales	16,000
Cash received from Debtors	29,500
Goods returned to Head Office	2,400
Cheque received from Chennai:	
Wages and Salaries	11,000
Rent	3,000
Sundry Expenses	510

16. From the following particulars, Prepare the Departmental Trading and Profit and Loss a/c for the year ending 31-12-97

Particulars	Rs. Dept X	Rs. Dept Y
Stock (1.1.97)	9,000	8,400
Sales	42,000	36,000
Purchases	27,000	21,600
Direct expenses	5,490	8,520
Postage	360	360
Stock (31-12-97)	10,800	4,800

Indirect Expenses for the entire business was Rs. 3900 which are to be divided in the proportion of sales of the two departments.

17. On 1-1-86, X purchased machinery on Hire purchase system. The payment is to be made Rs. 4000 down (on signing the contract) and Rs. 4000 annually for three years. The cash price of the machinery is Rs. 14,900 and the rate of interest is 5%. Calculate the interest in each years instalment.
18. Sunil, Devan and Ravi are equal partners in a firm and their Balance sheet as on

Liabilities	Rs	Assets	Rs
Capital: Sunil	15,000	Machinery	43,500
Devan	12,000		
Ravi	18,000		
Reserve	4,500	Furniture	1,500
Creditors	40,500	Debtors	30,000
		Stock	15,000
	90,000		90,000

Ravi retired on 31.12.2015 and assets were revalued as under:

Machinery Rs.51,000, Furniture Rs.1,200, Debtors Rs. 28,500, Stock Rs.14,700. Goodwill of the firm is valued at Rs.9,000 and Ravi's share of goodwill is to be adjusted to continuing partners capital accounts. Prepare Revaluation account.

19. Red, White and Blue are in partnership. The following is their Balance sheet as at 31.12.2015 on which data, they dissolved partnership. They share profits in the ratio of

Liabilities	Rs.	Assets	Rs.
Capital: Red	50,000	Premises	40,000
White	15,000		
Blue	45,000		
Creditors	40,000	Plant	30,000
Red's Loan	10,500	Debtors	60,000
		Stock	30,000
	1,60,000		1,60,000

It was agreed to repay the amounts due to the partners as and when the assets were realized, viz:

1.2.2016 – Rs.30,000 1.4.2016 – Rs.73,000 1.6.2016 - 47,000

Prepare a statement showing how the distribution to the partners should be made in proportionate capital method.

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. Knight purchased a truck for Rs.1,60,000 from S.Waugh on 1.1.2003 payment to be made Rs.40,000 down and Rs.46,000 at the end of first year, Rs.44,000 at the end of second year and Rs.42,000 at the end of third year. Interest was charged at 5%. Knight depreciate the truck at 10% per annum on written down value Method. Knight, after having paid down payment and first instalment at the end of the first year, could not pay second instalment. The seller took possession of the truck, and after spending Rs.4,000 on repairs of the asset, sold it away for Rs.91,500. Prepare the ledger accounts in the books of both the parties.

21. Raguram of Agra purchased goods for his three departments as follows:

$$\left. \begin{array}{l} \text{Dept X} - 1,000 \text{ units} \\ \text{Dept Y} - 2,000 \text{ units} \\ \text{Dept Z} - 2,400 \text{ units} \end{array} \right\} \text{Total Cost Rs.1,00,000}$$

Sales of the three departments were as follows:

Dept X – 1,020 units @ Rs.20 per unit

Dept Y – 1,920 units @ Rs.22.50 per unit

Dept Z – 2,496 units @ Rs. 25 per unit

Other information about stock in the beginning were as follows:

Dept X – 120 units, Dept – Y 80 units, Dept Z – 152 units

Raguram informs you that the rate of Gross profit is the same in all Departments

You are required to prepare Departmental Trading a/c.

22. A and B are partners in a firm, They share profit and losses in the ratio of 3:1 Their Balance sheet is as firm:

Liabilities	Rs	Assets	Rs
Capital: A	80,000	Buildings	1,00,000
B	40,000		
Reserve	40,000	Plant	25,000
Creditors	60,000	Stock	40,000
Bills payable	20,000	Debtors	70,000
		Cash	5,000
	2,40,000		2,40,000

C is admitted into partnership for $\frac{1}{5}$ th share of the business on the following terms:

- (a) Building is revalued at Rs.1,20,000
- (b) Plant is depreciated to 80%
- (c) Provision for bad debts is made at 5%
- (d) Stock is revalued at Rs.30,000
- (e) C should introduce 50% of the adjusted capital of both A and B. Open various accounts and the new balance sheet after the admission of C.

23. X, Y and Z are equal partners, Whose Balance sheet on 31.12.2015 is as follows:

Liabilities	Rs	Assets	Rs
Capital A/c's: X	1,600	Plant & Machinery	4,000
Z	1,000		
X's loan	2,000	Land & Building	4,000
Creditors	10,000	Furniture	1,600
		Debtors	2,000
		Stock	1,600
		Cash in hand	100
		Y's Capital (overdrawn)	1,300
	14,600		14,600

Due to lack of liquidity and weak financial position of the partners, the firm is dissolved. X and Z are not able to contribute anything and a sum of Rs.400 received from Y. All of them are declared insolvent.

The assets are realized : stock Rs.1,000 Plant & Machinery Rs.2,000; Furniture Rs.400; Land and Building Rs.1,600; and Debtors Rs.1,100 only. Realisation expenses amounted to Rs.100. You are required to close the books of the firm.