

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.
B.Com.(A&F) END SEMESTER EXAMINATIONS APRIL-2022
SEMESTER - II
20UAFCT2003 - Advanced Financial Accounting

Total Duration : 3 Hrs.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Describe the different modes or ways in which a partnership firm may be dissolved.
2. Distinguish between Branch accounts and Departmental Accounts.
3. Explain the features of Hire purchase system.
4. A head office at Bhopal invoices goods to its branch at Indoor at cost, and the branch sells the goods not only for cash but on credit also. The expenses of the branch are paid by the head office. From the following particulars relating to the branch opened on 1-1-2016, prepare the necessary accounts under stock and debtors system in the head office books.

	Rs.		Rs.
Goods sent to branch at cost	5,000	Discount allowed to customers	180
Goods returned by the branch at cost	300	Cash Sales	250
Expenses paid by the head office	1000	Branch Stock 31/12/2016	1,700
Remittance from branch	4,200	Branch debtors 31/12/2016	770
Credit sales	5,200	Receipts from debtors not paid in by branch	300

5. A company had two departments M and N. M department supplies goods to N department at its usual selling price. From the following figures, prepare departmental trading, profit and loss account for the year 2017.

Particulars	Dept. M (Rs.)	Dept. N (Rs.)
Opening Stock 1/1/2017	30,000	—
Purchases	2,10,000	—
Transfer to N department	50,000	50,000
Sales	2,00,000	60,000
Closing stock 31/12/2017	40,000	10,000
Salaries	12,000	1,000
Other expenses	3,000	500
Postages	500	100
Discount received	2,500	1,000

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6. On 1st January 2018 B & Co purchased a machine on hire purchase basis, the total amount payable being Rs.42,700. Payment was to be made Rs.12,000 on that date and balance in three half yearly installments of Rs.11,400, Rs.10,900 and Rs.8,400 commencing from 30th June 2018. The vendor charged interest @10%p.a calculate on half yearly rates. B & Co close their books annually on 30th June and provide depreciation @10%p.a on reducing balance method. Determine the cash price of the machine and show the Machinery account in the books of B & Co.
7. Journalise the following transactions in case of retirement of a partner and also calculate the net result of revaluation:
- Sale of scraps worth Rs.6,000.
 - Sale of unrecorded equipment for Rs.14,000.
 - Payment of unrecorded liability Rs.22,000.
 - Unclaimed liability Rs.7,000.
 - Book value of Debtors is Rs.40,800. Out of this amount, Rs.800 proves to be bad. Provision for bad debts is to be created at 5% and provision for discounts is to be maintained @2%.
8. A, B and C are partners sharing profits and losses in the ratio of 5:2:3 respectively. C became insolvent and was able to contribute only 40 paise in the rupee. Calculate deficiency in C's Capital A/C and How it will be shared by A&B from the following information:

	Rs.		Rs.
C's Capital balance	6,360 (Dr)	Reserve	4,000
Realisation loss	.4,900	A's Capital balance	10,000
B's Capital balance	5,000		

Section B

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Trading and Profit and loss account of J & Co., for the six months ended 31st March, 2020 is presented to you in the following form.

Purchases	Rs.	Sales	Rs.
Smart TV -Dept A	1,40,700	Smart TV -Dept A	1,50,000
Smart Phones – Dept B	90,600	Smart Phones – Dept B	1,00,000
Mobile Accessories – Dept C	64,400	Mobile Accessories – Dept C	25,000
Salaries and wages	48,000	Stock as on 31.03.2020:	
Rent	10,800	Smart TV -Dept A	60,100
Sundry Expenses	11,000	Smart Phones – Dept B	20,300
Profit	34,500	Mobile Accessories – Dept C	44,600
	4,00,000		4,00,000

Prepare Departmental Accounts for each of the three departments, A, B and C mentioned above after considering the following:

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- a) Smart TV and Smart Phones are sold at the show room and Mobile Accessories at the service centre.
- b) Salaries and wages comprise as follows:
 Show rooms $\frac{3}{4}$ and Service centre $\frac{1}{4}$
- c) It was decided to allocate the show room salaries and wages in the ratio of 1:2 between the departments A and B.
- d) The service centre rent is Rs.500 per month. The rent of show room is to be divided equally between the departments of A and B.
- e) Sundry expenses are to be allocated based on the turnover of each department.

10. From the following particulars relating to Patiala branch for the year ending 31st December 2018 prepare branch account in the books of Head office:

Particulars	Amt	Particulars	Amt
Balances on 1-1-2018:		Goods sent to branch during the year	2,80,000
Stock at branch	40,000	Cash sales during the year	3,30,000
Branch debtors	14,000	Credit sales during the year	1,83,000
Petty cash at branch	1,500	Cash received from debtors	1,35,000
Furniture at branch	12,000	Cash paid by the branch	
Prepaid fire insurance	1,150	Debtors direct to head office	22,000
Salaries outstanding at branch	2,100	Goods returned by the branch	4,000
Discount allowed to debtors	1,100	Goods returned by the debtors	7,000
Cash sent to branches for expenses:		Stock on December 31	38,000
Rent	12,000	Petty expenses by the branch	2,850
Salaries	5,400		
Petty cash	4,000		
Annual insurance up to March 31,2019	1,600		

Provide depreciation on furniture at 10% p.a

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11. K, M and T are partners sharing profits and losses equally. Their balance sheet as on 31/03/2011 is as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	47,000	Cash	36,000
General Reserve	30,000	Debtors	84,000
Capital A/C		Less: PBDD	6,000
K 82,000		Stock	19,000
M 82,000		Fixture	42,000
T 90,000	2,54,000	Furniture	56,000
		Machinery	1,00,000
	3,31,000		3,31,000

T died on 1st April 2011 and the following agreement was to be put into effect:

- 1) Goodwill was valued at Rs.60,000 and T was to be credited with his share.
- 2) Assets were revalued: Machinery to Rs.1,17,000; Furniture to Rs.46,000; Stock to Rs.15,000.
- 3) Rs.21,000 was to be paid away to the T's executors on 1st April 2011.

Pass journal entries and prepare revaluation account and capital accounts and Balance Sheet of new firm.

12. R, W and B are in partnership. The following is their Balance Sheet as at 31/12/2015 on which date, they disclosed partnership. They share profits in the ratio of 5:3:2

Liabilities	Rs.	Assets	Rs.
R's Capital A/C	50,000	Premises	40,000
W's Capital A/C	15,000	Plant	30,000
B's Capital A/C	45,000	Stock	30,000
Creditors	40,000	Debtors	60,000
R's Loan	10,000		
	1,60,000		1,60,000

It was agreed to repay the amounts due to the partners as and when the assets were realised. Viz:

On 1/2/16 Rs.30,000; On 1/4/16 Rs.73,000 and, On 1/6/16 Rs.47,000

Prepare a statement showing how the distribution to the partners should be made.

13. Kingston purchased a truck for Rs.1,60,000 from Manikandan on 1/1/2017 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%. Kingston depreciates the truck at 10%p.a on written down value method. Manikandan after having paid down payment and first installment at the end of the first year, could not pay second installment. The seller took repossession of the truck and after spending Rs.4,000 on repairs of the asset, sold it away for Rs.91,500. Give journal entries in the books of both the parties.
