

**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.(PA) END SEMESTER EXAMINATIONS APRIL-2022**

**SEMESTER - II**

**21UPACT2003 - Advanced Financial Accounting**

**Total Duration : 3 Hrs.**

**Total Marks : 60**

**Section A**

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

1. Distinguish between hire-purchase system and installment purchase system.
2. The following information relates to Vellore Branch.

Particulars	Rs.
Stock on 1.1.2019	11,200
Debtors on 1.1.2019	6,300
Goods sent to branch	51,000
Sales at branch :	
Cash	25,000
Credit	39,000
Cash sent to branch for Rent	1,500
Salaries	3,000
Petty cash	500
Cash received from debtors	41,200
Stock on 31.12.2019	13,600

Prepare branch account for the year 2020.

3. From the following particulars prepare the Departmental Trading A/c.

Particulars	Dept. I (Rs.)	Dept. II (Rs.)
Opening stock	9,000	8,400
Sales	42,000	36,000
Purchases	27,000	21,600
Direct expenses	5,490	8,520
Postage	360	360
Closing stock	10,800	4,800

4. Mr. R purchased machinery under hire purchase agreement. The cash price of the machine was Rs.15,500. The payment was to be made on signing the agreement Rs.3,000 and at the end of I, II and III years are Rs.5,000 each. Calculate Interest for the each year.

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5. X, Y and Z who are equal partners decided to dissolve their firm. The following is their Balance Sheet after sale of assets.

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
X's Capital	1,800	Cash	1,500
Y's Capital	1,200	Z's Capital	600
		Realisation a/c	900
	<b>3,000</b>		<b>3000</b>

Z become insolvent and could not pay anything to the firm. Prepare necessary ledger accounts to close the books of the firm.

6. Balu and Seenu are partners sharing profit and losses equally with capitals of Rs.60,000 and Rs.40,000 respectively. Their drawings during the year are as follows :

<b>Particulars</b>	<b>(Rs.)</b>
Balu's drawings on 31.03.1993	1,000
30.04.1993	1,200
01.07.1993	900
01.12.1993	2,800

Seenu drew Rs.400 at end of each month. The deed provides interest on capitals and drawings at 6%. Calculate interest on capitals and drawings.

7. On 1<sup>st</sup> January 1998 the capitals of Paramu and Sivam were Rs.30,000 and Rs.50,000.

Paramu introduced on July 1, Rs.10,000 and November 1, Rs.5,000. Sivam Rs.5,000 on August 1 and Rs.20,000 on April 1, as additional and drawings. Paramu withdraws Rs.200 in the beginning of every month and Sivam Rs.200 at the end of every month during the year. Calculate the interest payable and chargeable.

8. What do you mean by Piecemeal Distribution?

## Section B

Answer any **THREE** questions ( $3 \times 10 = 30$  Marks)

9. Meenakshi Mills Ltd has a branch at Kancheepuram. Goods are invoiced to the branch at cost plus 50%. Branch remits all cash received to the Head office and all expenses are met by the Head office. From the following particulars, prepare the necessary ledger accounts on the stock and Debtors system.

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<b>Particulars</b>	<b>Rs.</b>
Stock on 1 <sup>st</sup> January 1995 (Invoice price)	15,600
Debtors on 1 <sup>st</sup> January 1995	8,700
Goods invoiced to branch (cost)	36,000
Sales at Branch: Cash sales	35,000
Credit sales	30,100
Cash collected from Debtors	29,800
Goods returned by debtors	1,500
Surplus in stock	300
Discount allowed to customers	350
Expenses at branch	6,700

10. What are the advantages and disadvantages of Departmental Accounting?
11. T, U and V are in partnership sharing profits and losses in the proportion of 4:3:2. Their balance sheet as on December 31, 2011 is :

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Capitals :		Land and buildings	5,500
T	4,000	Stock	2,000
U	2,000	Debtors	1,000
V	500	Cash	1,500
Creditors	3,500		
	<b>10,000</b>		<b>10,000</b>

They agree to dissolve partnership as from 31.12.2011. 'T' agrees to take over the stock at a valuation of Rs.1,500 and the debtors at a valuation of Rs.700. The land and building are sold for Rs.2,700. Close the books of the firm.

12. X Ltd. purchased a piece of machinery on 1<sup>st</sup> January 1980 on the hire purchase system. The cash price of the machinery was Rs.29,800. Terms of payment were Rs.8,000 half yearly over two years, the first payment to be made on 30<sup>th</sup> June 1980. Rate of interest was 6% p.a. X Ltd. wrote off 10% depreciation under W.D.V. method and closed its books on 30<sup>th</sup> June every year. It could not pay the installment due on 30<sup>th</sup> June 1981 and as a consequence, the hire vendor took possession of the machinery. Give the machinery account and show the loss suffered by X Ltd.

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13. R and S were carrying on partnership business sharing profits and losses in the ratio of 3:2 respectively. They closed their books of account every year on 31<sup>st</sup> Dec. Their Balance Sheet was as follows on 31.12.2011.

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Sundry creditors	5,000	Cash	7,500
Reserve fund	7,500	Sundry debtors	12,500
Capitals :		Stock	5,000
R	22,500	Machinery	25,000
S	15,000		
	<b>50,000</b>		<b>50,000</b>

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