

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.(CA) END SEMESTER EXAMINATIONS APRIL - 2022

SEMESTER - II

21UCCCT2002 - Advanced Financial Accounting

Total Duration : 3 Hrs.

Total Marks : 60

**Section A**

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

1. Distinguish between Branch accounts and Departmental accounts.
2. From the following particulars prepare a branch account showing the profit or loss at the branch.

Particulars	Rs.
Opening stock at the branch	15,000
Goods sent to the branch	45,000
Sales	60,000
Salaries	5,000
Other expenses	2,000

Closing stock could not be ascertained but it is known that the branch usually sells at cost Plus 20%. The branch manager is entitled to a commission of 5% on the profit of branch Before charging such commission.

3. The following purchases were made by a business house having three departments.

Dept. A - 1,000 units

Dept. B - 2,000 units

Dept. C - 2,400 units

At a total cost of Rs. 1,00,000

Stocks on 1<sup>st</sup> January were:

Dept. A - 120 units

Dept. B - 80 units

Dept. C - 152 units

Sales were:

Dept. A - 1020 units at Rs. 20 each

Dept. B - 1920 units at Rs. 22.50 each

Dept. C - 2496 units at Rs. 25 each

The rate of gross profit is same in each case. Prepare Departmental trading account.

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4. What is a 'Department'? What are the advantages of preparing departmental accounts?
5. A and B are partners sharing profits and losses in the ratio of 5:3. They admit C as a partner. C Acquires his share  $\frac{4}{20}$  from A and  $\frac{2}{20}$  from B. Find out the new profit sharing ratio and sacrificing ratio.
6. A and B are in equal partnership. Their balance sheet stood as follows:

Liabilities	Amount	Assets	Amount
Capital : A	600	Plant and Machinery	1,475
Sundry Creditors	3,900	Furniture	400
		Debtors	500
		Stock	625
		Bank	300
		B's Capital	1,200
	<b>4,500</b>		<b>4,500</b>

The assets were realised as follows:

Stock Rs.350, Furniture Rs.200, Debtors Rs.500 and plant and machinery Rs.700. The cost of collecting and distributing the estate amounted to Rs.150. A's private estate is not sufficient even to pay his private liabilities, where as in B private estate, there is a surplus of Rs.50. Prepare Realisation A/c and Capital A/c's of the partners.

7. How do you settle the accounts of a partnership firm on its dissolution?
8. Kannan purchase goods from Raman, the due dates for payment in cash being as follows:

	Rs.	
Mar. 15	1,000	Due 18 <sup>th</sup> April
Apr. 21	1,500	Due 24 <sup>th</sup> May
Apr. 27	500	Due 30 <sup>th</sup> June
May. 15	600	Due 18 <sup>th</sup> July

Raman agreed to draw a bill for the total amount due on the average due date. Ascertain that date.

## Section B

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

9. The following information relates to Madurai branch:

**Contd...**

**SEMESTER - II**  
**21UCCCT2002 - Advanced Financial Accounting**

Particulars	Amount	Amount
Stock on 1.1.2014		11,200
Branch debtors on 1.1.2014		6,300
Goods sent to branch		51,000
<u>Cash sent to branch for:</u>		
Rent	1,500	
Salaries	3,000	
Petty cash	500	
		5,000
<u>Sales at branch:</u>		
Cash	25,000	
Credit	39,000	
		64,000
Cash received from debtors		41,200
Stock on 31.12.2014		13,600

Prepare Branch account for the year 2014.

10. The directors of departmental stores Ltd wish to ascertain, approximately, the net profit of 'A' 'B' and 'C' department separately for the quarter march 31, 2010. It is found impracticable actually to take stock on that date but an adequate system of departmental accounts is in use and the normal rates of gross profit for the departments concerned are 40%, 30% and 20% on turnover respectively. Indirect expenses are charged in proportion to departmental turnover.

Following are the figures for each department.

Particulars	A (Rs.)	B (Rs.)	C (Rs.)
Stock as on 1.1.2015	30,000	35,000	15,000
Purchases to March 31, 2015	35,000	37,500	23,500
Sales to march 31, 2015	60,000	50,000	30,000
Direct expenses	10,100	7,250	3,550

11. X, Y and Z are partners sharing profit in the ratio of 1:2:3. Z retires and his capital, after making adjustments for the reserves and profit on revaluation, stands at Rs.44,000. X and Y agreed to pay him Rs.50,000 in full settlement of his claim. Give journal entry for goodwill if the new profit-sharing ratio is decided at 1:3.

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12. X, Y and Z Sharing profits in the proportion of 3:2:1 decided to dissolve partnership on 31.12.2012. Their Balance Sheet on that date was as under.

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Account		Leasehold premises	12,500
X	30,000	Goodwill	20,000
Y	10,000	Machinery	30,520
Z	10,000	Stock	7,550
Bank Loan	11,500	Investment	6,330
Leasehold redemption	6,000	Joint life Policy	12,000
Life policy fund	12,000	Sundry Debtors	5,800
Machinery Depn fund A/c	16,200	Less: Reserve	500
			5,300
		Cash at Bank	1,500
	<b>95,700</b>		<b>95,700</b>

The joint life policy is surrendered for Rs.10,000. The investment are taken over by Y for Rs.8,000. X agreed to discharge the bank loan. The remaining assets are sold for Rs.86,700. The expenses of realisation amount to Rs.850. Show the necessary ledger accounts including the accounts of the partners.

13. R owes S the following sums of money due from him dates stated:

Rs.300 due on March 9 2013.

Rs.1,000 due on April 2 2013.

Rs.4,000 due on April 30 2013.

Rs.100 due on June 1 2013.

He wants to make the complete payment on 30-06-2013. Calculate interest at 5% p.a with the help of Average due date method.

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