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 NOVEMBER-2022
SEMESTER - II
21UCCCT2002 - Advanced Financial Accounting

Total Duration : 2 Hrs 30 Mins. Total Marks : 60

Section A

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

1. What are the disadvantages of Branch Accounting?
2. Explain the types of Branches in Branch Accounts.
3. What are the features of departmental accounting?
4. How will you allocate Depreciation, Managerial Salary, Selling expenses, Power & fuel in departmental accounting?
5. A, B, and C are partners sharing profits in the ratio of 3:3:2. C retires, and his share is taken up by A. Calculate the new profit-sharing ratio of A and B.
6. Atul, Ami, and Anish are partners sharing profits and losses in the ratio of 1/2, 3/10 and 1/5 respectively. Ami retires and Atul and Anish decide to share profits and losses in the ratio of 3:2. Calculate the Gaining Ratio of Atul and Anish.
7. How many methods are there in piecemeal distribution? Discuss.
8. Hari owes Ram Rs.2,000 on 1^{st} April, 2016. From 1^{st} April, 2016 to 30^{th} June, 2016 the following further transactions took place between Hari and Ram: April 10 Hari buys goods from Ram for Rs.5,000. May 16 Hari receives cash loan of Rs.10,000 from Ram. June 9 Hari buys goods from Ram for Rs.3,000. Hari pays the whole amount, together with interest @ 15% per annum, to Ram on 30^{th} June, 2016. Calculate the interest payable on 30^{th} June, 1996 by the Average due-date method.

Section B

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

9. Following particulars related to Ahmedabad Branch for the year ended 31^{st} March, 2008. You are required to prepare necessary A/cs. in the books of Bombay H.O.

Particulars	
Opening Balance on 1-4-2007	
Petty cash at Branch	450
Stock at Branch	22,500
Debtors at Branch	45,000
Transaction During the year	
Goods sent to branch	3,78,000
Goods returned by the branch	3,000
Remittance at Branch	
For cash sales	90,000
Collection from debtors	3,15,000
Credit Sales	3,42,000
Cheques Sent to Branch	
For Salaries	13,500
For Rent	2,250
For Petty Cash	1,650
Closing Balance on 31-3-2008	
Petty cash	300
Stock at Branch	37,500

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10. Prepare a Departmental Trading and Profit and Loss Account & General Profit and Loss Account for the year ended 31-12-2014 of M/s.Andhra & Company where department A sells goods to department B on Normal selling price.

Particulars	**Dept. A**	**Dept. B**
Opening stock	175,000	-
Purchases	4,025,000	350,000
Inter Transfer of Goods	-	1,225,000
Wages	175,000	280,000
Electricity Expenses	17,500	245,000
Closing Stock (at cost)	875,000	315,000
Sales	4,025,000	2,625,000
Office Expenses	35,000	28,000

Combined Expenses for both Department	
Salaries (2:1 Ratio)	4,72,500
Printing and Stationery Expenses (3:1 Ratio)	1,57,500
Advertisement Expenses (Sale Ratio)	1,400,000
Depreciation (1:3 Ratio)	21,000

11. Karthik, Sashi and Arun were partners sharing profits and losses in the ratio of 2 : 2 : 1 respectively. On 1^{st} April, 2012 Karthik retired when his capital account showed a credit balance of Rs.8,00,000. In the ledger, goodwill account appeared at Rs.1,00,000 but the partners agreed that the fair value of firm's goodwill on the abovementioned date was Rs.4,75,000. Apart from capital of Rs.8,00,000, the retiring partner's share of goodwill was also to be paid. Assuming that Sashi and Arun continue to share profits in ratio of 2 : 1 respectively and Karthik's capital account is immediately settled in cash, pass journal entries for all the transactions relating to partner's retirement.

12. Exe and Wye formed a partnership some years ago, sharing profits and losses in the ratio of 3 : 2 respectively. On 1^{st} April, 2010, their capitals were Rs.6,00,000 and 5,00,000 respectively. On 1^{st} October, 2010, they agreed to share profits and losses equally with effect from that date, goodwill of the firm being valued at Rs.6,00.000. On 31^{st} March, 2010, they found that the combined capital was Rs.12,50,000 and during the year their drawings were A : Rs.1,50,500 and B: Rs.1,19,500. On 1^{st} April, 2011, Zed was admitted as a partner with $\frac{1}{4}^{th}$ share in the profits; he paid Rs.1,50,000 as goodwill and Rs.4,00,000 as capital. On the 30^{th} September, 2011, the partnership was converted into a company. The company paid Rs.25,00,000 for the net assets as on that date; of this amount Rs.5,00,000 was to be treated as for goodwill. The consideration was to be discharged in a manner so as to preserve the present mutual rights of the partners. Partnership agreements throughout provided for interest on capitals at 10% per annum as in the beginning of the year. Prepare the partners' capital accounts.

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13. The following is the statement of receipts and payments of the Charity Eye Hospital for the year ending March 31, 2012:

	Rs.		**Rs.**
Opening Balances:			
Cash	500	Furniture purchased	100
Bank	8,000	Salaries	43,000
Govt. Securities	1,80,000	Instruments purchased	500
Receipts:		Direct Expenses	12,000
Subscriptions	1,25,000	Surgery and Dispensary	41,000
Interest	20,000	Rent ans Taxes	30,500
Donations	4,000	Insurance	1,200
Miscellaneous	300	Office Expense	1,100
		Closing Balances:	
		cash	700
		Bank	18,000
		Govt. Securities	1,80,000
	3,37,800		3,37,800

You are asked to prepare the Income and Expenditure Account for the year and the Balance Sheet as on 31^{st} March, 2012. The other assets on 1^{st} April 2011 were : Furniture- Rs.2,000; Land- Rs.50,000; Buildings - Rs.1,50,000; Instruments - Rs.3,500. Write off depreciation at 2.5 % on Buildings, 6% on Furniture, and 20% on Instruments (including new). The Government Securities of the face value of Rs.2,00,000 (cost Rs.1.80,000) represent investments of the Endowment Fund. Subscriptions received include Rs.10,000 for the year 2010 – 11but Rs.7,000 is outstanding for 2011-2012 Salaries paid include Rs.4,000 for 2010-11 but Rs.4,5000 is payable for 2011-2012. Interest received includes Rs.5,000 for 2010-2011 but Rs.5,300 is outstanding for 2011-2012.

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