

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-2023

SEMESTER - II

20UAFCT2003 - Advanced Financial Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Loyal shoe company opened a branch at Madras on 01.01.2022. From the following particulars, Prepare the Madras Branch account for the year 2022.

	Rs.
Goods sent to Madras Branch	15,000
Cash sent to branch for	
Rent	1,800
Salaries	3,000
Other expenses	1,200
Cash received from the branch	24,000
Stock on 31 st December	2,300
Petty cash in hand on 31 st December	40

2. X purchased machinery under hire purchases agreement from Y. The cash price of the machinery was Rs.15,500. The payment was to be made as follows;

	Rs.
On signing the agreement	3,000
First year end	5,000
Second year end	5,000
Third year end	5,000

Predict interest for each year.

3. Kannan and Sundar share profits and losses in the ratio of 5:3. Madhavan joins on 01.04.2022. The following revaluations were made:

- a. Increase the value of building by Rs.10,000
- b. Raise goodwill for Rs.16,000
- c. Reduce the value of debtors by Rs.2,000

Prepare journal entries and Revaluation Account.

4. From the following information, prepare Realisation A/c assuming all the partners are insolvent:

	Rs.
Current assets	40,000
Furniture	30,000
Fixed assets	4,55,000
Sundry creditors	4,20,000
Bills payable	20,000

Amount realised on selling the assets Rs.2,55,000. Partners A, B and C share profits and losses in the ratio of 2:2:1.

5. From the following details, show Departmental Trading Accounts:

	Department – A (Rs.)	Department - B (Rs.)
Opening stock	9,000	8,400
Total purchases	27,000	21,600
Total sales	42,000	36,000
Closing stock	10,800	4,800
Credit purchases	17,000	10,600
Credit sales	5,000	6,000

6. Compute the main features of hire purchase system.

7. P,Q, R and S are partners in a firm sharing profits in the ratio of 2:1:2:1. On the retirement of R, the firm's good will was valued at Rs.45,000. P,Q and S decided to share the future profits equally. Prepare journal entries for the treatment of goodwill.

8. Evaluate the different methods of piecemeal distribution.

Section C

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

9. The following information related to Madurai Branch;

	Rs.	Rs.
Stock on 1.1.2022		11,200
Branch debtors 1.1.2022		6,300
Goods sent to Branch		51,000
Cash sent to Branch for:		
Rent	1,500	
Salaries	3,000	
Petty cash	500	5,000
Sales at Branch:		
Cash	25,000	
Credit	39,000	64,000
Cash received from debtors		41,200
Stock on 31.12.2022		13,600

Prepare Branch account for the year 2022.

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

Dept. A - 1,000

Dept. B - 2,000- at a total cost of Rs.1,00,000

Dept. C - 2,400

Stocks on 1st January were:

Dept. A - 120 units

Dept. B - 80 units

Dept. C - 152 units

Sales were:

Dept. A - 1,020 units at Rs.20 each

Dept. B - 1,920 units at Rs.22.50 each

Dept. C - 2,496 units at Rs.25 each

The rate of gross profit is same in each case.Prepare Departmental Trading A/c.

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11. Knight purchased a truck for Rs.1,60,000 from S.Waugh on 1.1.2021 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 depreciates 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 assets, sold it away for Rs.91,500. Determine ledger accounts in the books of both the parties.

12. Malathi and Revathi are partners in a business sharing profits and losses in the ratio of 3:2. Their balance sheet as on 1st January 2023 was as given below;

Liabilities	Rs.	Assets	Rs.
Malathi capital A/c	20,000	Machinery	20,000
Revathi Capital A/c	15,000	Stock	16,000
Reserve fund	15,000	Debtors	15,000
Creditors	7,500	Cash at bank	6,000
		Cash in hand	500
	57,500		57,500

Revathi retires from the business on 1.1.2023 owing to illness and Malathi takes it over. The following revaluations were made;

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| i. The goodwill of the firm was valued at Rs.25,000 |
| ii. Depreciation Machinery by 7.5% and stock by 15%. |
| iii. Create a provision for bad debts at 5% on debtors. |

Ascertain Revaluation account, partners capital accounts and Balance sheet of Malathi.

13. Evaluate the various modes of dissolution of partnership firm.
