

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-2023
SEMESTER - II

21UCCCT2002 - Advanced Financial Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Explain the features of an Independent Branch.
2. A and B are partners in a business sharing profits in the ratio of 5:3. They decide to admit C into the firm giving him $1/6^{th}$ share. Calculate the new profit sharing ratio and sacrificing ratio.
3. A, B and C are partners sharing profits and losses in the ratio 2:1:1. Their balance sheet as on 31st December 2021 is as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	35,000	Sundry Assets	1,00,000
Capital A/c			
A - 25,000			
B - 25,000			
C - 15,000	65,000		
	1,00,000		1,00,000

On the above data, the firm is dissolved and the following were the terms agreed: The assets realized Rs.1,07,000. Creditors were paid Rs.28,000 in full settlement. Realization expenses amounted to Rs.2,000. Close the books of the firm.

4. A trader has purchased goods, the due dates for the payment of which are as follows:

Due Date	Amount (Rs.)
March 3	200
April 16	300
May 10	250
June 15	425

He wishes to give a bill for the total amount due, the bill to be drawn on the average due date. Ascertain this date.

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

Department A : 1,000 Units
 Department B : 2,000 Units
 Department C : 2,400 Units

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

Stock on 1st January : Department A : 120 Units

Department B : 80 Units

Department C : 152 Units

Sales were : Department A : 1,020 Units at Rs.20 each
 Department B : 1,920 Units at Rs.22.50 each
 Department C : 1,496 Units at Rs.25 each.

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

6. A,B, and C share Profits & Losses in the ratio of 3:2:1 Find the new Profit sharing ratio and Gaining ratio in the following cases:

i) If B retires and his share is taken by A and C in the ratio of 5:2

ii) If A retires and surrenders $\frac{5}{8}$ of his share in the favour of B and $\frac{3}{8}$ in favour of C

iii) If C retires and A and B decide to share future profit in the ratio of 5:3.

7. Describe the circumstances under which a partnership firm may be dissolved.

8. From the given particulars, show how these items would appear in the Income and Expenditure A/c for the year 2022.

Receipts	Rs.	Payments	Rs.
To Balance:		By Salaries	2,000
Cash	1,000	By Insurance	1,000
Bank	3,000	By Purchase of Building	2,000
To Subscription	10,000	By Balance:	
To Interest	1,000	Cash	3,000
		Bank	7,000
	15,000		15,000

Section C

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

9. Chennai Balan & CO. had a Branch at Madurai. Goods are supplied by Head Office to its Branch at Cost plus $33\frac{1}{3}\%$. From the following particulars prepare Branch Account, Branch debtors account and goods sent to branch Account in the books of Balan Company.

Particulars	Rs.	Rs.
Stock January 1, 2019 (Invoice Price)		15,000
Debtors January 1 2019		11,400
Goods sent to branch at invoice price		67,000
Sales at Branch		
Cash	31,000	
Credit	<u>37,400</u>	68,400
Cash received from debtors		40,000
Discount allowed to customers		300
Bad debts written off		250
Cheque sent to Branch		
Salaries	5,000	
Sundry expenses	<u>1,700</u>	6,700
Stock December 31, 2019 (Invoice Price)		13,400

10. A firm had two departments, cloth and readymade garments. The garments were made by the firm itself out of cloth supplied by the cloth department at its usual selling price. From the following figures, prepare departmental trading and profit and loss account for the year ended 31-3-2019.

	Cloth Dept Rs.	Readymade Dept Rs.
Opening stock 1-4-2018	3,00,000	50,000
Purchases	20,00,000	15,000
Sales	22,00,000	4,50,000
Transfer to readymade garments dept	3,00,000	-
Expenses –Manufacturing	-	60,000
- Selling	20,000	6,000
Stock 31-3-2019	2,00,000	60,000

The stock in the readymade garments department may be considered as consisting of 75% cloth and 25% other expenses. The cloth department earned gross profit @ 15% in 2017-18. General expenses of the business as a whole came to Rs.1,10,000.

11. Explain different methods of valuation of goodwill.

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12. A, B and C are partners whose balance sheet on 31-3-2018 is as follows

Liabilities	Rs.	Assets	Rs.
Sundry creditors	5,000	Cash in hand	50
A's Loan	1,000	Stock	800
Capitals:		Debtors	1,000
A	800	Machinery	2,000
C	500	Furniture	800
		Buildings	2,000
		B's capital (Overdrawn)	650
	7,300		7,300

Due to lack of liquidity and financial position of the partners, the firm is dissolved. A and C are not able to contribute anything and sum of Rs.200 is received from B. All of them are declared insolvent.

The following assets are realised:

Stock : Rs.500 Machinery : Rs.1,000

Furniture : Rs.200

Buildings : Rs.800 and Debtors : Rs.550 only.

Realization expenses amounted to Rs.50. Close the firm's Book.

13. On 2-1-2002 Gopal opened an account with Canara Bank depositing Rs.5,000. His further deposits were : 20th Jan Rs.2,500; 20th March Rs.3,000; 20th May Rs.3,500.

His withdrawals were; Rs.6,000 on 20th February; Rs.5,000 on 20th April and Rs.2,500 on 20th June.

Prepare the account current to be rendered by the bank for the period 30th June 2002 charging interest at 5% p.a on customer's debit balance and 2% p.a on customer's credit balance.
