

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. BIM - END SEMESTER EXAMINATIONS APRIL - 2024

SEMESTER - II

23UBBCT2003 - Advanced Financial Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Prepare Branch Stock Account from the following:

Stock on 01.01.2014	Rs.21,000
Goods sent to Branch	Rs.78,000
Cash Sales	Rs.52,500
Goods returned to Head office	Rs.3,000
Credit Sales	Rs.85,200
Stock on 31.12.2014	Rs.19,500
Goods returned by Customers to Branch	Rs.1,500
Branch Debtors	Rs.85,200

2. A and B are partners, Sharing profit in the ratio of 2:3. C is admitted for $1/4^{th}$ share in the profit. Calculate the New profit-sharing Ratio.
3. Calculate the amount of goodwill at a three year purchase of the last five year's average profit. The profit were:
- I Years - Rs.9,600
II Years - Rs.14,400
III Years - Rs.20,000
IV Years - Rs.6,000
V Years - Rs.10,000
4. State the application of Garner versus Murray Rule in India.
5. From the following details, Prepare Department Trading Account:

Particulars	Department X	Department Y
Opening Stock	18,000	16,000
Purchased	54,000	42,000
Sales	84,000	75,000
Closing Stock	20,000	10,000
wages	2,000	1,000

Contd...

6. K,L & M share profit and losses in the ratio of 5:3:2. As from 1st April 2004, Q is admitted into the partnership and following adjustments were agreed upon:
- Increase the value of premises by Rs.48,000.
 - Depreciate Stock by Rs.4,000; Furniture by Rs.1,000 and Machinery by Rs.4,600.
 - Provide for an outstanding liability of Rs.200.
- Prepare Revaluation Account.
7. What is a Joint Life Policy? Discuss its treatment in partnership.
8. P, Q and R were partners sharing profits and losses in the ratio of 2:2:1. R became insolvent. Realisation loss amounted to Rs.40,000.

	Rs.
P's Capital (Cr)	20,000
Q's Capital (Cr)	10,000
R's Capital (Overdrawn)	10,000

Pass necessary Journal Entries as per Garner versus Murray Rule, assuming capital are fixed. Also, prepare R's Capital account.

Section C

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

9. Udaya Traders send goods to their branch at Mysore at Cost plus 50%. All expenses of the branch are met by the head office. prepare necessary Ledger Account under stock and debtors systems.
- | | |
|--------------------------------------|-----------|
| Stock on 01.01.2017 at Invoice price | Rs.39,000 |
| Debtors on 01.01.2017 | Rs.21,750 |
| Goods Sent to Branch at Cost | Rs.90,000 |
| Cash Returned by Debtors | Rs.3,750 |
| Cash Sales | Rs.87,500 |
| Credit Sales | Rs.75,250 |
| Surplus in Stock | Rs.750 |
| Discount Allowed to Customers | Rs.875 |
| Branch Expenses | Rs.16,750 |
10. The following purchases were made by a business house, having three departments.
- | | |
|----------------------------|--------------------------|
| Department A - 2,000 units | } Total Cost Rs.2,00,000 |
| Department B - 4,000 units | |
| Department C - 4,800 units | |
- Stock on 1st January were:
- Dept. A - 240 Units
- Dept. B - 160 Units
- Dept. C - 304 Units

Contd...

Sales were:

Dept. A - 2040 units at Rs.20 each

Dept. B - 3840 units at Rs.22.50 each

Dept. C - 4992 units at Rs.25 each

The rate of gross profit is same in each case. Prepare Departmental Trading Account.

11. A and B are sharing profits in proportion of 3:1 on 31st December 1998. Their balance sheet stood as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	37,500	Bank	22,500
General Reserve	4,000	Bills Receivable	3,000
A's Capital	30,000	Debtors	16,000
B's Capital	16,000	Stock	20,000
		Furniture	1,000
		Building	25,000
	87,500		87,500

They admit C into partnership on 1st January 1999 subject to the following terms:

- C pay Rs.10,000 as capital for a fifth share in future profits.
 - The goodwill account to be raised in the books of the new firm for Rs.20,000.
 - Stock and furniture to be reduced by 10% and 5% reserve for doubtful debts be appreciated by 20%.
 - Buildings to be appreciated by 20%.
12. N and M are partners with the ratio 3:2. The Balance Sheet is as follows:

Liabilities	Rs.	Assets	Rs.
Capital A/c		Machinery	3,00,000
N	3,00,000	Stock	2,40,000
M	2,25,000	Debtors	2,25,000
Reserve	2,25,000	Bank	90,000
Creditors	1,12,500	Cash	7,500
	8,62,500		8,62,500

M retires on the following terms:

- To depreciate machinery by 7.5% and stock by 15%.
- A provision for bad debts is to be made at 5% on debtors and 2% reserve against creditors.
- The goodwill of the firm is valued as Rs.3,75,000.

Prepare Revaluation Account, Partner's Capital Account and Balance sheet after M's retirement.

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13. Explain the different methods in which a partnership firm may be dissolved.
