ST. SAINTS COLLEGE LIBRARY TRIVANDRUM

(Pages : 7) **F – 4093**

Reg. No. : .....

Name : .....

Third Semester B.Com. Degree Examination, January 2019

First Degree Programme under CBCSS

Core Course : CO 1343/CC 1344

ADVANCED FINANCIAL ACCOUNTING

(Common for Commerce/Commerce with Computer Application)

(2014 Admn. Onwards)

Time : 3 Hours Max. Marks : 80

SECTION – A

Answer **all** questions in **one** or **two** sentences **each**. **Each** question carries **1** mark.

1. Who is a Delcredere Agent ?
2. Define the term Departmental Accounting.
3. Explain the term unrealized profit.
4. What do you mean by independent branch ?
5. Define partnership.
6. What do you mean by Abnormal loss ?
7. Explain the term Inter Departmental Transfer.
8. Define the term Capital Account.
9. What do you mean by Dissolution ?
10. Define a Foreign Branch. **(10×1=10 Marks)**

SECTION – B

Answer **any 8** questions in **not** exceeding **one** paragraph **each**. **Each** question carries **2** marks.

11. Write a short note on account sales.
12. Give a note on realization account.
13. Explain the term Goods in transit.

14. Write down the features of Partnership.
15. Explain the Caution Money.
16. Write a short note on Garner Vs. Murray Principle.
17. Explain the advantages of Departmental accounting.
18. Differentiate between a Branch and a Department.
19. Write a short note on Stock and Debtors system.
20. Explain the term branch accounting.
21. How do you treat Inter Departmental transfer of goods at Market price ?
22. Explain the term Joint Bank Account. **(8×2=16 Marks)**

SECTION – C

Answer **any six** questions in **not** exceeding **120** words **each**. **Each** question carries **4** marks.

23. Differentiate between joint venture and consignment.
24. Explain the differences between dissolution of Partnership and Firm.
25. Explain the different types of dependent branches.
26. Give the differences between Joint Venture and Partnership.
27. A, B and C entered a Joint Venture agreement and according to it, A is to supervise the overall working of the venture and keep the necessary accounts. He is entitled to a commission of 5% on sales for his service. Each venturer contributes Rs. 10,000. A purchased goods for Rs. 20,000, and supplied goods worth Rs. 5,000 from his stock. C also supplied goods of the value of Rs. 4,000 from his stock. A paid Rs. 3,000 for expenses in connection with his joint Venture. A sold goods for Rs. 40,000. Unsold goods amounts to Rs. 3,000 were taken over by B. A settled the accounts of B and C by bank draft. The ventures share profit and losses equally. Prepare joint venture account.

28. Mr. Anand of Kolkata sends goods to his agent Mr. B at Mumbai on Consignment basis. The agents sends the reports regarding sales and collection of debts by his every month. He is entitled to a commission of 10% on cash collected from debtors and a further sum of Rs. 15,000 per quarter towards expenses. During the half year ended 30th June 2008, goods invoiced by Mr. Anand were purchased by him for Rs. 11,00,000. Freight, insurance and other expenses amounts to Rs. 1,10,000. During the same period sales were made by the agent amounting to Rs. 13,00,000. Debts collected were 10,80,000 and discount allowed to debtors amounts to Rs. 10,000. The agent remitted to Anand Rs. 9,50,000.

Included in the consignment to the agent was one lot of goods partly damaged in transit. Anand received Rs. 19,000 from the insurance company towards claim. As on 30th June 2008, the agent was having certain goods in stock and the original purchase price of such stock (Paid by Anand) was Rs. 2,50,000.

Prepare Consignment account in the books of Anand.

29. From the following details of a XYZ Ltd., which has a branch at Cochin to which the goods were invoiced at cost plus 25%. Following are the details of the branch for the year 2015.

Stock on 1-1-2015	11,000	Debtors on 1-1-2015	100
Petty cash on 1-1-2015	100	Cash sales	2,650
Credit sales	23,950	Bad debts	550
Goods sent to branch at invoice price	20,000		
Cash received from debtors	21,000		
Goods returned to HO at invoice price	300		
Returns by customers	500		

Cheques sent to branch for - rent – 600, wages – 200, salary – 900, Stock on 31-12-2015 – 13,000, Debtors on 31-12-2015 – 2000, Petty cash on 31-12-2015 – 75.

Prepare Branch Trading and P & L a/c for the year 2015.

30. ABC Ltd. has two departments, Textiles and Readymade. For the last so many years Readymade Dept. get all its requirements of cloth from Textiles Dept. by way of transfer at its usual selling price. The following figures relate to the year ending 31-12-2015.

	Textiles	Readymade
Stock (1-1-2015)	30,000	40,000
Purchases	4,00,000	20,000
Sales	8,00,000	3,60,000
Manufacturing expenses	–	60,000
Transfer from Textiles to Readymade Dept.	2,00,000	2,00,000
Stock (31-12-2015)	30,000	70,000

General expenses of the business is Rs. 40,000. Stock of readymade Dept. Consist of 90% clothes received from Textiles Dept. Textiles Dept. earns a gross profit of 50% on sales in the year ending 31-12-15.

Prepare departmental trading A/c and General P/L A/c.

31. X, Y and Z are in partnership sharing profit and losses equally. Their capital accounts are : X Rs. 3,000, Y Rs. 2,000 and Z Rs. 300 (Dr). They dissolved the firm and a loss of Rs. 1,800 is incurred after meeting all expenses and outside liabilities. Z is insolvent and is unable to contribute anything towards his deficiency.

Show the partners' capital account as per Garner Vs. Murray principle.

(6×4=24 Marks)

SECTION – D

Answer **any two** questions in **not** exceeding **4** pages **each**. **Each** question carries **15** marks.

32. Explain the different modes of Dissolution of a partnership firm in detail.

33. The following is the balance sheet of a firm as on 31-12-2012, when D has become insolvent.

Balance Sheet

Sundry Creditor	10,000	Sundry assets	50,000
General Reserve	10,000	C's Capital A/c	10,000
A's capital A/c	30,000	D's capital A/c	10,000
B's capital A/c	20,000		
	70,000		**70,000**

The assets realized Rs. 40,000. Creditors were paid in full. Partners share profit and losses equally. You are required to close the books of the firm applying Garner vs. Murray rule.

34. PQR Ltd. has two departments - P and Q. Dept. P sells goods to Dept. Q at normal selling price. From the following particulars prepare Departmental Trading and P/L A/c for the year ended 31.3.2015 and also ascertain the Net profit to be transferred to Balance Sheet.

	Dept. P	**Dept. Q**
Opening stock	50,000	Nil
Purchases	28,00,000	3,00,000
Goods from P	–	8,00,000

Wages	3,50,000	2,00,000
Travelling expenses	20,000	1,60,000
Closing stock at cost to the department	8,00,000	2,09,000
Sales	30,00,000	20,00,000
Printing and stationary	30,000	25,000

The following expenses incurred for both the departments, were not apportioned between the departments.

a) Salaries – 3,30,000

b) Advertisement expenses 1,20,000

c) General expenses 5,00,000

d) Depreciation is to be charged @ 30% on the machinery value – 96,000.

The advertisement expenses of the departments are to be apportioned in the turnover ratio. Salaries and Depreciation are apportioned in the ratio of 2 : 1 and 1 : 3 respectively. General expenses are to be apportioned in the ratio of 3:1.

35. X Ltd. Mumbai has opened a Branch at Chennai on 1st July 2014. The goods were invoiced at selling price which was 125% of the cost price of HO.

From the following particulars, show the necessary ledger accounts in the books of HO for the year ended 30th June 2015.

Goods sent to branch (at cost to H O)		1,00,000
Sales –	Cash	30,000
	Credit	74,000

Cash received from debtors			50,000
Cheques sent to branch for –	Rent	4,000	
	Salaries	6,000	
	Miscellaneous	1,000	11,000
Discount allowed			3,000
Returns from customers			1,000
Goods spoiled written off (invoice price)			5,000
Stock (on 30-6-2015 at invoice price)			15,000

(2×15=30 Marks)