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Reg. No. : .....

Name : .....

Third Semester B.Com. Degree Examination, March 2022

First Degree Programme under CBCSS

Core Course

CO 1343/CC 1344 (2014-17 Admission)/ CO 1342/CX 1342/TT 1342/ HM 1342/CC1343 (2018 Admission)
ADVANCED FINANCIAL ACCOUNTING

(Common for Commerce, Commerce & Tax Procedure and Practice/Commerce & Hotel Management and Catering/ Commerce & Computer application, Commerce & Tourism and Travel Management)

Time : 3 Hours Max. Marks : 80

SECTION – A

(Answer **all** questions. **Each** question carries **1** mark)

1. What is partnership deed?
2. What is consignment?
3. What are Account sales?
4. How depreciation is allocated in departmental accounts?
5. How account sales differ from invoice?
6. What are goods in transit?
7. What is debtors system of branch accounts?

P.T.O.

8. What is over-riding commission?

9. Define joint venture.

10. What are the different types of branches?

(10 × 1 = 10 Marks)

SECTION – B

(Answer any **eight** questions. **Each** question carries **2** marks)

11. What is the need for consignment?

12. How abnormal loss is treated in consignment accounts?

13. What are the features of joint ventures?

14. How depreciation is adjusted in the debtors system of branch accounts?

15. How power is apportioned in departmental accounts?

16. Distinguish between branch and departmental accounts.

17. State the various methods of keeping departmental accounts.

18. State the journal entry under debtors system, when goods worth Rs.5,000 are supplied to branch.

19. What is dissolution by agreement?

20. What are the various accounts maintained by consigner?

21. Goods of Rs.50,000 are sent on consignment to A, who sells away 50% of the goods for Rs.40,000. The consignor required that 10% of the value of the goods should be kept as an advance with him. A's expenses and commission amount to Rs.5,000. Calculate the amount to be send by A.

22. Prepare Branch account and find profit.

Opening stock	–	Rs.30,000
Goods sent to Branch	–	Rs.90,000
Sales (cash)	–	Rs.1,20,000
Expenses	–	Rs.14,000

Branch generally sells at cost plus 20%. Branch manager is entitled to a commission of 5% on the profit before charging such commission.

(8 × 2 = 16 Marks)

SECTION – C

(Answer any **six** questions. **Each** question carries **4** marks)

23. What are the objects of branch accounts?

24. Distinguish between consignment and sales.

25. How joint venture differ from consignment.

26. State the advantages of departmental accounts.

27. What is realization account? How it is prepared?

28. Ravi consigned goods to Suraj costing Rs.1,00,000. The proforma invoice was made to show a profit of 25% on cost. Ravi paid freight, insurance Rs.2,000. Suraj sold a part of consignment for Rs.88,000 at a uniform price of 10% over invoice price and spent Rs.3,000 as warehousing charges Rs.1,000 as selling expense. Suraj is entitled to a commission of 5% on sales and 20% of the net profit after charging such commission on sales. Suraj paid the amount due by bank draft. Prepare consignment account.

29. A and B were partners in a joint venture sharing profits and losses in the proportion of 60% and 40% respectively. A supplies goods to the value of Rs.10,000 and incurs on freight Rs.500. B also supplies goods to the value of Rs.8,000 and incurs Rs.400 towards freight and other incidental charges. B sells the entire stock of goods on behalf of the joint venture for Rs.25,000. B is also entitled to a commission of 5% on sales. B settles his account by remitting a bank draft. Pass journal entries in the books of B.

30. Mr. Ram of Kochi has opened a branch at Chennai which sells goods for cash only. The following are the transactions between branch office and the head office for the year ended 31-12-2020.

Opening stock on 01-01-2020	–	Rs.2,00,000
Goods supplied to branch	–	Rs.5,00,000
Cash sent to branch for rent	–	Rs.2,000
Cash for other expenses	–	Rs.1,000
Cash received from branch during 2020	–	Rs.6,00,000
Closing stock on 31-12-2020	–	Rs.1,50,000
Petty cash balance on 31-12-2020	–	Rs.100

Prepare Chennai Branch account

31. Goods consigned 500 kg @ Rs.20 per kg. Freight and carriage paid by the consignor Rs.4,000. Consignee sold 300 kg @ Rs.35 per kg and incurred Rs.1,000 as unloading expenses, Rs.2,000 as godown rent and Rs.1,000 as selling expenses. Normal loss due to leakage is 50kg. Show the calculation of the value of unsold stock and also the required journal entry.

(6 × 4 = 24 Marks)

SECTION – D

(Answer any **two** questions. **Each** question carries **15** marks)

32. Explain the various methods adopted for piece-meal distribution.

33. The following is the Balance sheet of a firm as on 31-12-2020

Liabilities	Rs	Assets	Rs
Sundry Creditors	8,000	Cash in hand	500
Bills payable	2,000	Sundry debtors	2,000
Bank overdraft	1,500	Machinery	6,000
Capital Account		Stock	2,000
Ram-10000		Factory premises	15,000
Shyam-6000	16,000	Profit and Loss account	2,000
Total	27,500	Total	27,500

The firm was dissolved on 31-12-2020. The assets were realized as follows: Debtors – Rs.1,500, Machinery – Rs.3,000, Stock – Rs.1,200, Factory premises – Rs.10,000 Bank overdraft and Bills payable were paid in full. Creditors were settled in RS.7,800. Realization expenses amounted to Rs.200. Prepare necessary ledger accounts to close the books of the firm assuming that profit sharing ratio between Ram and Shyam is 3:2.

34. From the following information, prepare Branch account for the year ended 31-12-2020. All expenses are paid by the Head Office.

Stock on 31-12-2020	90,000
Stock on 01-01-2020	60,000
Debtors on 01-01-2020	40,000
Debtors on 31-12-2020	60,000
Cash sales remitted to head office	1,50,000
Cash collected from debtors and remitted to head office	1,60,000
Goods invoiced to branch	3,60,000
Rent	3,000
Salary	6,000
Goods returned to head office	6,000
petty cash on 01-01-2020	100
Petty cash on 31-12-2020	50
Sale of Gunny bags	200

Goods are invoiced by head office at 20% above the cost.

35. The following purchases were made by a business house having 3 department:

Department A – 1000 units

Department B – 2000 units

Department C – 2400 units

Stock on 1st January was:

Department A – 120 units

Department B – 80 units

Department C – 152 units

The sales were:

Department A – 1020 units @ Rs.20 each

Department B – 1920 units @ Rs.22.50 each

Department C – 2496 units @ Rs.25 each

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

(2 × 15 = 30 Marks)
