



B.Com. II Semester Degree Examination, September/October - 2023

ADVANCED FINANCIAL ACCOUNTING

(NEP)

Time : 2 Hours

Maximum Marks : 60

Note : Answer *all* sections.

SECTION-A

1. Answer of the following questions, each question carries **one** mark. **10x1=10**
- (a) Why the fire insurance claim is introduced ?
 - (b) What do you mean by salvaged stock ?
 - (c) Who is a Hire purchaser ?
 - (d) What is cash price ?
 - (e) What do you mean by interdepartmental transfer of goods ?
 - (f) State any two expenses which are allocated on net sales ratio ?
 - (g) Mention the types of branches.
 - (h) Give any two features of branch accounting
 - (i) Mention the types of single entry system.
 - (j) State any one advantage of single entry system

SECTION-B

Answer **any four** of the following questions, each question carries **five** marks.

2. Discuss the features of single entry system. **4x5=20**
3. Fire occurred on 15-12-2022 in the godown of M/S Amith & Brother. From the following figures ascertain the claim to be lodged.
- | | |
|---|----------|
| Stock on 1-6-2022 | 25,300 |
| Purchases from 1-6-2022 to date of fire | 50,400 |
| Manufacturing expenses and wages | 60,000 |
| Sales from 1-6-2022 to date of fire | 1,56,000 |
- The rate of Gross profit is 25% on sales.
The stock salvaged was valued at Rs.3600



4. Rohit Ltd. acquired an asset on 1-1-2023 of the cash price of Rs. 3,72,000 on hire purchase system payable Rs. 1,00,000 on signing the contract and the balance in three equal instalments of Rs.1,00,000 each at the end of each year. Interest is charged at 5% p.a. Calculate the amount of interest and instalment with chart.
5. Following are the particulars of the two departments "P" and "Q" Prepare the departmental trading and profit & loss A/C. Assuming that the indirect expenses are allocated to the departments in the ratio of 2:1 respectively.

Particulars	P	Q	Total
Opening Stock	10,000	15,000	25,000
Purchases	20,000	30,000	50,000
Sales	50,000	60,000	1,10,000
Closing Stock	10,000	20,000	30,000
Rent	-	-	6000
Salary	-	-	3000
Advertisement	-	-	9000

6. Shri puneeth maintains his accounts on single entry system. His assets and liabilities on 31-03-2022 cash Rs. 500, stock Rs. 9700, debtors Rs. 18,000, plant & machinery Rs. 14,000, creditors Rs. 9000, Bills Payable Rs. 3200. His position on 31-03 -2023 cash Rs. 1380, stock Rs. 10,200, Sundry debtors Rs. 11,600, plant & machinery Rs. 12,000, creditors Rs. 6000. Bills payable Rs. 1180. You are required to find out opening & closing capital.
7. Savitha purchased a vehicle from Maruthi Ltd. on 1-1-2020 on hire purchase system and agreed to pay interest at 15% p.a. on unpaid balances of cash price. He paid Rs. 40,000 on signing the contract and the balance in the following three annual instalments.
- | | |
|---------------|--------------|
| On 31-12-2020 | Rs. 1,74,000 |
| on 31-12-2021 | Rs. 1,56,000 |
| on 31-12-2022 | Rs. 1,38,000 |
- Ascertain cash price and interest of each instalment.

SECTION-C

3x10=30

- Answer **any three** of the following questions, each question carries Ten marks.
8. On 31-8-2023 fire occurred in the premises of M/s Madhu Stores of Hosapete. The following data are available from the records of the stores.
- | | |
|--------------------------------------|----------|
| Debtors on 1-1-2023 | 1,12,000 |
| Cash received from debtors | 3,37,500 |
| Discount allowed upto 31-8-2023 | 11,000 |
| Bad debts upto 31-8-2023 | 4500 |
| Debtors on 31-8-2023 | 1,35,000 |
| Stock on 1-1-2023 | 90,000 |
| Purchases from 1-1-2023 to 31-8-2023 | 2,92,000 |
| Rate of gross profit on sales | 25% |
| Value of salvaged stock | 50,000 |
- Prepare a statement of fire claim.



9. Sachin purchased a machinery from Tata Ltd. on Hire purchase system on 1-1-2020. The terms of payment are as follows.
- Cash price of the machinery was Rs. 5,04,000.
 - Amount paid on signing the contracts Rs. 1,35,000.
 - Balance amount paid on three equal instalments of Rs. 1,35,000 each on 31st December every year.
 - Interest charged on outstanding balance was 5% p.a.
 - Depreciations was charged at 20% p.a. under reducing balance method.

Prepare necessary ledger accounts in the books of Sachin.

10. From the following information prepare the departmental Trading and Profit & Loss Account for the year ending 31-3-2023.

Particulars	Dept A	Dept B	Total
Opening stock	10000	16000	26000
Purchases	40000	32000	72000
Wages	6000	4000	10000
Sales	90000	60000	150000
Office salaries			48000
Office rent			32000
Discount allowed			8800
Discount earned			2880
Stock of goods on 31-3-2023	34000	28000	62000

Other information :

- Office staff appointed A-10 men and B-5 men.
- Area occupied A-100 sq.ft and B-60 sq.ft.
- Depreciation on furniture of Rs.12,000 at 10% and on machinery of Rs. 80,000 at 5% to be distributed equally between the two departments.
- Inter-departmental transactions A to B Rs.16,000 is not included in the above transactions. This should be excluded for calculation of ratios.



11. From the following details prepare the branch Trading and Profit & Loss A/C for the year ending 31-12-2022 and also the branch Account in the head office books as on 31-12-2022.

Opening balances	₹
Stock	10,000
Debtors	12,000
Petty cash	100
Goods sent to branch	30,000
Cash sent to branch for	
Salary	6,000
Rent	2,000
Petty cash	900
Goods returned by branch	1,800
Cash remitted by branch	
Cash sales	16,000
Received from Debtors	28,000
Credit sales	32,000
Discount allowed to debtors	800
Bad debts written off	500
Goods returned by debtors	700
Closing balances	
Stock	9,000
Debtors	14,000
Petty cash	200



12. Savitha started business with a capital of Rs. 2,00,000 brought in cash. She purchased Machinery for Rs. 50,000, furniture Rs. 20,000 and goods Rs. 1,00,000. She borrowed Rs. 1,50,000, from Bank of Baroda. She has withdrawn Rs. 5000. every month for her private expenses.

Her single entry records reveal the following details for the year ended 31-3-2023.

	₹
Wages	3,000
Carriage inwards	6,000
Discount allowed	3,000
Discount received	2,500
Salaries	5,000
Bad debts	2,000
Advertisement	2,600
Sundry expenses	1,000
Total sales	5,00,000
Total purchases	2,50,000
Cash sales	50,000
Credit purchases	2,00,000
Debtors on 31-3-2023	60,000
Creditors on 31-3-2023	40,000
Stock on Trade on 31-3-2023	40,000

Prepare the trading & profit & loss for the year ending 31-3-2023 and also the Balance sheet.

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