



**B.Com. II Semester (NEP) Degree Examination,
September/October - 2022**

Advanced Financial Accounting

Time : 3 Hours

Maximum Marks : 60

Note : Answer *all* sections.

SECTION - A

Answer the following sub-questions, each question carries **one** mark. **10x1=10**

1. (a) What is insurance claim ?
- (b) What are the types of insurance claim ?
- (c) What is hire purchase system ?
- (d) What do you mean by cash down payment ?
- (e) What do you mean by departments ?
- (f) State any one expenses which are allocated on net purchase ratio.
- (g) What do you mean by branch ?
- (h) Give any one objective of branch accounting.
- (i) Give the meaning of single entry system.
- (j) State any one features of single entry system.

SECTION - B

Answer **any four** of the following questions, each question carries **five** marks. **4x5=20**

2. Briefly explain the various methods of foreign currency translation.
3. A fire occurred on 16-12-2021 in the shop of M/s Krishna & Bros. From the following information ascertain the claim to be lodged.
Sale from 01-04-2021 to date of fire ₹ 3,00,000 stock 01-04-2021 ₹ 50,000
Purchases from 01-04-2021 to date of fire ₹ 2,00,000 wages from 01-04-2021 to date of fire ₹ 50,000 other manufacturing expenses from 01-04-2021 to date of fire ₹ 20,000
The rate of gross profit is 20% on sales. The stock salvaged was valued at ₹ 10,000.



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4. Mr. Shivanand purchased on 01-01-2019 machines on hire purchase system. The total payment being ₹ 2,00,000 and the payment was to be made as under on signing the agreement on 01-01-2019 ₹ 32,000. At the end of 2019 ₹ 54,000. At the end of 2020 ₹ 70,000. At the end of 2021 ₹ 44,000. Interest was charged by the vendor company at 10% p.a on the unpaid balance.
You are required to ascertain the cash price of the machines.

5. From the following information prepare departmental trading account :

Opening stock	Dept X	20,000
	Dept Y	40,000
Purchases	Dept X	1,20,000
	Dept Y	1,60,000
Sales	Dept X	2,50,000
	Dept Y	3,00,000
Closing stock	Dept X	10,000
	Dept Y	20,000

Transfer of goods from Dept X to Y.

6. Prepare statement of affairs from the following information.

	₹
Creditors	50,000
L&B	50,000
Cash	60,000
B/P	50,000
O/S incomes	6,000
Furniture	40,000
Debtors	1,00,000
Stock	60,000
B/R	70,000
O/S expenses	10,000
Rent paid in advance	6,000
Loose tools	20,000
Bank loan	50,000



7. Anand purchased a vehicle from Bajaj Auto Ltd. on 01-01-2013 on hire purchase system and agreed to pay interest at 15% p.a. on unpaid balances of cash price. He paid ₹ 40,000 on signing the contract and the balance in the following three annual installments.

on 31-12-2013	₹ 1,74,000
on 31-12-2014	₹ 1,56,000
on 31-12-2015	₹ 1,38,000

Ascertain cash price and interest of each installment.

SECTION - C

Answer **any three** of the following questions. Each question carries **ten** marks.

8. A fire broke out in the premises of Sachin traders on 03-08-2015. From the following information prepare statement of fire claims. **3x10=30**

	₹
Stock on 01-04-2014	60,000
Purchase of 2014-15	3,00,000
Sales of 2014-15	4,00,000
Wages of 2014-15	40,000
Carriage of 2014-15	20,000
Stock on 31-03-2015	1,00,000
Purchase from 01-04-15 to date of fire	2,00,000
Sales from 01-04-15 to date of fire	3,50,000
Wages from 01-04-15 to date of fire	30,000
Carriage from 01-04-15 to date of fire	10,000
Stock salvaged & returned	15,000
Expenses incurred on extinguishing fire	5,000
Returns outward from 01-04-15 to date of fire	20,000
Returns inward from 01-04-15 to date of fire	50,000



9. ABC Co. Ltd. acquired an asset on 01-01-2019 for the cash price of ₹ 3,72,400 on hire purchase system, payable ₹ 1,00,000 on signing the agreement and balance in three equal installments of ₹ 1,00,000 each at the end of every year. Interest is charged at 5% p.a. ABC Co. Ltd. provides depreciation at 10% p.a. on the reducing balance method.

Show the necessary accounts in the books of ABC Co. Ltd.

10. From the following information prepare the departmental Trading & P & L A/c for the year ending 31-12-2013.

Particulars	Dept A	Dept B	Total
Opening stock	12000	10000	22000
Purchases	124000	62000	186000
Sales	203000	152000	355000
Returns outwards	4000	2000	6000
Wages	8000	15000	23000
Salaries to staff	-	-	50000
Rent & Taxes	-	-	9000
Discount allowed	-	-	7000
Discount earned	-	-	6000
Carriage outward	-	-	2800
General expenses	-	-	8400

Other information :

- Office staff appointed Dept A. 4 persons and Dept B. 6 persons.
- Depreciation on machinery worth ₹ 1,00,000 at 10% & furniture worth ₹ 30,000 at 20% to be distributed between the departments equally.
- Area occupied A. 600 sqft . B. 1200 sqft.
- Stock of goods on 31-12-2013 Dept A ₹ 16,000, Dept B ₹ 8,000.
- Inter departmental transfers Dept A to Dept B ₹ 20,000. Which is not included in the above information.
- Exclude interdepartmental transfers for calculation of ratio.



11. From the following informations prepare the branch account in the books of head office. All the expenses are paid by the head office & daily collections of branch are remitted to head office.

Stock on 1-4-2021		₹ 7,500
Stock on 31-03-2022		₹ 12,500
Debtors on 01-04-2021		₹ 5,000
Debtors on 31-3-2022		₹ 7,000
Petty cash on 01-4-2021		₹ 15
Petty cash on 31-3-2022		₹ 10
Goods sent to branch		₹ 35,000
Cash sales remitted to head office		₹ 15,000
Cash collected from debtors & remitted to head office		₹ 14,000
Cash sent to branch for		
Salary	800	
Rent	<u>200</u>	₹ 1,000
Discount allowed to customers		₹ 300
Bad debts		₹ 200
Goods returned by branch		₹ 2,500

12. From the following information furnished by a trader who keeps his books of accounts on single entry system. Prepare his trading and P & L A/c for the year ending 31-03-2007 & the B/s as on that date.

- (a) Summary of cash transactions for the year 2006-07.

Bank overdraft on 01-04-2006	60,000
Opening cash balance	12000
Cash Sales	138000
Drawings	30000
Manager's salary	24000
Rent	12000
General Expenses	42000
Wages	48000
Paid to creditors	372000
Received from debtors	450000
Cash in hand on 31-03-2007	3000
Cash at bank on 31-03-2007	9000



(b) Other assests & Liabilities as on :

	31-3-07	1-04-06
Building	240000	240000
Machinery	24000	24000
Stock	162000	132000
Debtors	72000	54000
Creditors	78000	90000

(c) Other information :

- (i) Depreciate building & Machinery at 10% each
- (ii) Provide for doubtful debts at 5% on debtors
- (iii) The manager is entitled to commission at 20% on the net profit and the same is to be provided for.

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