



B.Com. II Semester Degree Examination, Sept./Oct. - 2024

COMMERCE

DSC3 : Advanced Financial Accounting

(NEP)

Time : 2 Hours

Maximum Marks : 60

Note : Answer **all** sections.

SECTION - A

1. Answer the following sub-questions, each sub-question carries **one** mark. **10x1=10**
- (a) What is salvaged stock ?
 - (b) What are the losses covered under fire insurance policy ?
 - (c) What do you mean by Hire purchase ?
 - (d) What is interest suspense account ?
 - (e) State any two expenses which are allocated on direct wages ratio.
 - (f) What is inter-departmental transfer of goods.
 - (g) What are the Inland/Domestic branches ?
 - (h) Give any two accounting procedures of dependent branch.
 - (i) Mention the types of single entry system.
 - (j) State any one demerits of single entry system.

SECTION - B

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

2. Briefly explain the various techniques of foreign currency transaction. **4x5=20**
3. A fire occurred on 16-12-2023 in the shop of M/s Kumar and brothers. From the following information ascertain the claim to be lodged.
- | | |
|--|----------|
| Sales from 01-04-2023 to date of fire | 3,00,000 |
| Stock 01-04-2023 | 50,000 |
| Purchases from 01-04-2023 to date of fire | 2,00,000 |
| Wages from 01-04-2023 to date of fire | 50,000 |
| Other manufacturing expenses from 01-04-2023 to date of fire | 20,000 |
- The rate of gross profit is 20% on sales.
The stock salvaged was valued at Rs. 10,000



4. Mr. Suresh purchased a machine of the cash price of Rs. 7,40,000 on 01-01-2023 on hire purchase system. He paid on 01-01-2023 Rs. 2,00,000 on signing of the agreement and the balance amount in three equal installments of Rs. 2,00,000 each and interest is charged by the hire vendor at 5% p.a. Find out the interest in each installment.
5. Following information relating to Dept. 'G' and Dept. 'S'. Prepare the columnar trading and Profit and Loss account assuming that all the expenses are directly allocated to the departments in the ratio of 2 : 1.

Particulars	G	S	Total
Opening Stock	30,000	45,000	75,000
Purchases	60,000	90,000	1,50,000
Sales	1,50,000	1,80,000	3,30,000
Closing stock	30,000	60,000	90,000
Advertisement	-	-	27,000
Rent	-	-	18,000
Salary	-	-	9,000

6. From the following particulars of Mr. Ajay who keeps books under single entry system, ascertain the total sales.

Opening stock	48,000
Purchases	2,45,000
Purchase returns	5,000
Carriage inward	12,000
Wages	16,000
Closing stock	60,000

Rate of gross profit on sales 20%.

7. From the following information prepare branch Debtors Account.

Debtors on 01-04-2023	26,500
Debtors on 31-03-2024	33,100
Allowances to customers	700
Cash received from Debtors	49,200
Return from debtors	580
Discount allowed to customers	2,400
Bad debts	600



SECTION - C

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

3x10=30

8. A fire occurred in the premises of Rajan Ltd. on 01-11-2023 and the stock of the value of Rs. 1,50,000 was salvaged and the business books and records were saved.

The following information was obtained.

Purchase for the year ending 31-03-2023	10,20,000
Sales for the year ending 31-03-2023	16,50,000
Purchases from 01-04-2023 to 01-11-2023	3,75,000
Sales from 01-04-2023 to 01-11-2023	5,40,000
Stock on 31-03-2022	4,50,000
Stock on 31-03-2023	5,10,000

The stock on 31-03-2023 was over valued by Rs. 30,000. Calculate the amount of claim. In April 2023 selling price was lowered by 10%.

9. Sri Amogh Ltd. bought a bike from Hero Motors Ltd. on 01-01-2021 on hire purchase system. The cash price of bike was Rs. 1,02,000 and the installments were paid as Rs. 30,000 down and three annual installments of Rs. 30,000 each. He charges depreciation at 20% per annum on written down value method.

Prepare necessary ledger Account in the books of Sri Amogh Ltd.

10. From the following information prepare the departmental trading and profit and loss account for the year ending 31-12-2023.

Particulars	Dept. 'X'	Dept. 'Y'	Total
Opening stock	11,800	14,200	26,000
Purchases	75,900	50,000	1,25,900
Sales	1,00,000	80,000	1,80,000
Purchase returns	900	-	900
Wages	9,000	8,000	17,000
Rent and Rates	-	-	2,500
Salaries			6,000
Advertising			11,600
General expenses			5,400
Discount allowed			4,500
Discount earned			1,500
Insurance premium			600

Additional information :

- (a) The department 'X' and 'Y' have occupied space in the ratio 2 : 1.
 (b) The closing stock of Dept. X was Rs. 21,000 and Dept. Y was Rs. 15,000.
 (c) Salaries to be allocated equally between the departments 'X' and 'Y'.



11. Using stock and debtors system find out profit and loss made at Hospete branch for the year ending 31-12-2023. Goods are invoiced to branch at a profit on 20% on invoice price.

	Rs.
Stock on 01-01-2023	13,500
Debtors on 01-01-2023	36,900
Goods sent to branch at IP	2,40,000
Cash Sales	40,500
Total Sales	2,37,000
Cash received from debtors	1,59,000
Discount allowed to debtors	2,000
Bad debts	1,900

Cash sent to branch for :

Salary	36,000	
Rent and Taxes	30,000	
Sundry Expenses	<u>7,500</u>	73,500
Stock on 31-12-2023 at IP		15,000

The difference in stock represents shortage.

Prepare necessary ledger accounts in the books of Head Office.

12. From the following information furnished by a trader who keeps his books of accounts on single entry system, prepare his trading and profit and loss account for the year ending 31-03-2024 and the Balance Sheet as on that date.

(a) **Summary of cash transactions for the year 2023-24**

Bank overdraft on 01-04-2023	60,000
Opening cash balance	12,000
Cash sales	1,38,000
Drawings	30,000
Manager's salary	24,000
Rent	12,000
General Expenses	42,000
Wages	48,000
Paid to creditors	3,72,000
Received from debtors	4,50,000
Cash in hand on 31-03-2024	3,000
Cash at bank on 31-03-2024	9,000



(b) **Other assets and liabilities as on :**

Particulars	31-03-2024	01-04-2023
Building	2,40,000	2,40,000
Machinery	24,000	24,000
Stock	1,62,000	1,32,000
Debtors	72,000	54,000
Creditors	78,000	90,000

(c) **Other information :**

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

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