

**II Semester End Examination- September/October-2022**

**COMMERCE**

**ADVANCED FINANCIAL ACCOUNTING**

**Course code: COM2DSC04**

**QP Code:2021**

**Time: 02:30 HOURS**

**Max. Marks: 60**

**SECTION-A**

**1. Answer any Five of the following questions. Each question carries Two Marks. (5 x 2= 10)**

- a. what is average clause?
- b. What do you mean by 'insured'?
- c. State under which bases of apportionment of the following expenses in case of Departmental Accounting.
  - i. Depreciation of Machinery
  - ii. Advertising Expenses
- d. What do you mean by loaded price?
- e. What is meant by installment?
- f. What is Hire Purchase Agreement?
- g. Give the meaning of Single Entry System.

**SECTION- B**

**Answer any Four of the following question. Each question carries Five Marks. (4 x5= 20)**

**2. Find out the actual claim in the following case.**

	<b>Amount</b>
Value of stock on date of fire	25,000
Value of stock saved from fire	5,000
Value of insurance policy	20,000
There is an average clause in the policy.	

**3. Distribute the following expenses to the departments of a business on a appropriate basis**

Particulars	Amount
Advertisements expenses	25,000
Rent	12,000
Electric light charge	7,000
Salaries	2,00,000
Depreciation	9,000

The following information is available regarding the departments.

Particulars	Departments		
	A	B	C
Sales	1,00,000	1,00,000	5,00,000
Floor Area in sq.mts.	600	400	200
No: of light points	10	15	10
No: of Employees	9	6	5
Value of assets	5,00,000	2,00,000	2,00,000

4. A trading company in Bangalore has branch at Mumbai. The HO pays all the expenses of the branch except petty cash expenses which are met by the branch. All the cash received by the branch was remitted to the HO daily. The following are transactions between HO and its branch during the year closing 31/12/2021.

Stock at branch on 1/1/2021	7,000
Branch debtors on 1/1/2021	2,000
Petty cash at branch on 1/1/2021	200
Goods sent to branch during this year	30,000
Cash sales	56,000
Goods returned by branch	1,000
Returns from customers	1,500
Cheques sent to branch for expenses:	
Salary           3,000	
Rent            1,000	
Petty cash     500	4,500
Stock at branch on 30/12/2021	4,000

Branch debtors on 31/12/21	4,500
Petty cash at branch 31/12/21	300

Prepare branch accounts in the books of H.O.

5. From the following information, calculate total sales.

Bills receivable in the beginning Rs.7, 800  
 Debtors in the beginning Rs.30, 800  
 Bills receivable received during the year Rs.20, 900  
 Cash received from Debtors Rs.70, 000  
 Bad debts written off Rs.2, 800  
 Return inwards Rs.8, 700  
 Bills receivable dishonoured Rs.1, 800  
 Bills receivable at the end Rs.6, 000  
 Debtors at the end Rs.25, 500  
 Cash sales Rs.60, 700.

6. Calculate cash price of an asset from the following: Rs. 3000 at the time of agreement, Rate of interest is 5%. Depreciation 25% p.a. on straight line basis.

Rs.21,600 paid at the end of first year
Rs. 20,700 paid at the end of second year
Rs. 19,800 paid at the end of third year
Rs. 18,900 paid at the end of fourth year

### SECTION- C

Answer Any Two of the following question. Each question carries Twelve Marks. (2x12=24)

7. Mr. Hari purchased a plant costing Rs.40, 000 on 1.4.2018 from Raj Electronics ltd., under Hire purchase system the terms being Rs. 10,000 down payment and the balance in 3 equal annual Installments together with Interest at 20% p.a. on the outstanding Cash price. Depreciation is to be charged at 15% p.a. under straight line method. Prepare necessary ledger A/c in the books of Praveen till 31.3.2021 under Asset Accrual Method.

8. Fire occurred in the premises of Rakesh Ltd on 1st July, 2019 and a considerable part was destroyed. The stock salvaged was Rs 56,000. A fire insurance policy for Rs 3, 42,000 was taken to cover the loss of stock by fire. You are required to ascertain the insurance claim which the company should claim from the insurance company for the loss of stock by the fire from the following particulars:

Purchases for the year 2018-19	18,76,000
Sales for the year 2018-19	23,20,000
Purchases from 1st Jan, 2019 to 1st April 2019	3,64,000
Sales form 1st Jan, 2019 to 1st April 2019	4,80,00
Stock on 1st April, 2018	2,88,000
Stock on 31st March 2018	4,84,000
Wages paid during the year 2018	2,00,000
Wages paid during 1st Jan 2019 to date of fire	36,000

Fire also broke out on 31st March 2018 and destroyed stock of the estimated cost of

1, 00,000. There was a practice in the concern to value the stock at cost less 10 %, but all of a sudden, this practice was changed and stock on 31st December 2018 was valued at cost plus 10%.

9. A firm has two departments P and Q. From the following figures, prepare the Departmental Trading and Profit and Loss Account and Balance Sheet for the year ended 31<sup>st</sup> March 2020:

Debits	Rs	Credits	Rs
Opening Stock:		Transfer to P	10,000
P	30,000	Sales: P	2,00,000
Q	40,000	Q	1,20,000
Carriage: Inwards	6,000	Sundry Creditors	30,000
Outwards	10,000	Capital	60,000
Advertising	20,000	Loan	60,000
Salaries: P	12,000		

Q	14,000		
General Salaries	24,000		
Rent and rates	18,000		
Lighting	1800		
Fixtures	30,000		
Sundry Debtors	40,000		
Bad Debts	3,200		
Purchases: P	1,20,000		
Q	80,000		
Bank Balance	13000		
Bank Interest	8,000		
Transfer from Y	10,000		
	<b>4,80,000</b>		<b>4,80,000</b>

Area occupied by the two departments is in the ratio of 2:1. General salaries are to be divided in the ratio of 5:3. The closing stocks were: P Rs.28, 000 and Q Rs.30, 000. Depreciation of fixtures is 10% to be allocated in the ratio of space occupied. All other expenses are apportioned in the sales ratio.

#### SECTION- D

**Answer any One of the following questions, which carries Six Marks. (1x6=6)**

10. Identify any 6 common expenditures of a departmental undertaking.
11. Draft dummy hire purchase agreements with imaginary figures.

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