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B.M.S. COLLEGE FOR WOMEN, AUTONOMOUS
BENGALURU – 560004
SEMESTER END EXAMINATION – SEPTEMBER 2023

B.Com. A&F/B.Com BDA – 2nd Semester

ADVANCED FINANCIAL ACCOUNTING
(NEP Scheme 2021-22 onwards F+R)

Course Code: BAF2DSC04

Duration: 2 ½ Hours

QP Code:2038

Max. Marks: 60

SECTION-A

1. Answer any FIVE of the following questions. Each question carries TWO Marks. (5X2=10)

- What do you mean by Abnormal line of Goods?
- Calculate the amount of claim by applying average clause:

Rs.

Loss of stock by fire	1,00,000
Amount of policy	85,500
Total value of stock on the date of fire	1,14,000

- What do you mean by Lease Accounting?
- Write any two types of Mortgages.
- Write any two features of Dependent Branches.
- Give the meaning of Inter-departmental transfers.
- Give the meaning of Over-riding Commission.

SECTION-B

Answer any FOUR of the following questions. Each question carries FIVE Marks. (4X5=20)

- Explain any five advantages of Leasing.
- A fire broke out in the warehouse of Sunstar Ltd., on 31st December 2022. The company desires to file a claim with insurance company. From the following information prepare a statement showing the claim. The last account of company was prepared on 31.3.2022

Rs.

Stock on 1.4.2022	1,20,000
Sundry Debtors on 1.4.2022	3,20,000
Sundry Debtors on 31.12.2022	2,40,000
Cash received from Debtors	11,52,000
Purchases from 1.4.2022 to 31.12.2022	10,00,000

Rate of gross profit 25%

4. Kavya ltd. with its Head Office in Bangalore has a Branch at Mysore. You are given the following particulars relating to Mysore Branch for the year ended 31.3.2022.

	Rs.
Stock at Branch on 1.4.2021	32,600
Petty cash at Branch on 1.4.2021	110
Goods sent to branch	45,600
Goods returned by the Branch	3,900
Cash sales at Branch	71,900
Cash sent to Branch for expenses:	
Salaries	12,800
Rent	3,000
Petty cash	<u>2,600</u>
	18,400
Stock at Branch on 31.3.2022	37,100
Petty cash at Branch on 31.3.2022	90

Prepare Branch Accounts in the books of H.O.

5. State the basis of apportionment of the following expenses in departmental accounts.

- a. Discount Allowed
- b. Depreciation on Machinery
- c. Canteen Expenses
- d. Rent & Taxes
- e. Insurance Premium

6. Roja of Bangalore consigned 1,000 Kg. of goods at Rs.10 per kg. to Pooja of Mysore. She incurred Rs. 500 for Freight & Rs. 300 for Insurance expenses. 200 Kg. of goods were destroyed in transit due to an accident. Claim admitted by the Insurance Company was for Rs.1500. Pooja sold 700 Kg. of goods @ Rs. 20 per Kg. & incurred the following expenses: Unloading charges Rs.200. Godown rent Rs.500 & selling expenses Rs.300. Calculate the value of Closing stock and Abnormal Loss.

SECTION-C

Answer any TWO of the following questions. Each question carries TWELVE Marks. (2X12=24)

7. Fire occurred in the premises of Unlucky Traders on 1.7.2022 & a considerable part of stock was destroyed. Stock salvaged was Rs.28,000. Fire insurance policy for Rs.1,71,000 was taken to cover the loss of stock by fire. You are required ascertain the insurance company for the loss of stock by fire from the following particulars:

	Rs.
Purchases for the year 2021-22	8,88,000
Sales for the year 2021-22	11,60,000

Purchases from 1.4.2022 to the date of fire	1,82,000
Sales from 1.4.2022 to the date of fire	2,40,000
Stock on 1.4.2021	1,44,000
Stock on 31.3.2022	2,42,000
Wages paid during 2021-22	1,00,000
Wages paid during 1.4.2022 to the date of fire	18,000

There was a practice in the concern to **value stock at cost less 10%** but all of a sudden, this practice was changed & stock on 31.3.2022 was valued at **cost plus 10%**.

8. A firm has two departments A and B. From the following figures, prepare Department Trading and Profit and Loss Accounts and the Balance Sheet for the year ended 31st March 2022.

Debit	Rs.	Credit	Rs.
Opening Stock:		Transfer to A	5,000
A	15,000	Sales: A	1,00,000
B	20,000	B	60,000
Carriage inwards	3,000	Sundry Creditors	15,000
Carriage outwards	5,000	Capital	30,000
Advertising	10,000	Loan	30,000
Salary:			
A	6,000		
B	7,000		
General salaries	12,000		
Rent and rates	9,000		
Lighting	900		
Plant & Machinery	15,000		
Sundry Debtors	20,000		
Bad Debts	1,600		
Purchases: A	60,000		
B	40,000		
Bank Balance	6,500		
Bank Interest	4,000		
Transfer from B	5,000		
	2,40,000		2,40,000

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: Dept. A Rs.14,000 and Dept. B Rs. 15,000. Depreciation on Plant & Machinery is 10% to be allocated in the ratio of space occupied. Carriage Inward to be divided in the purchase ratio & all other expenses are apportioned in the sales ratio.

9. Akash Oil mills, Cochin consigned 2,500 kg, of Castor oil to Akshay & Co., Varanasi in April 1, 2022. The cost of oil was Rs. 18 per kg. The consignor paid Rs. 900 towards carriage, freight

and insurance in transit. During transit 250 kg. oil was accidentally destroyed for which the insurance company paid Rs. 2,200 in full settlement of the claim directly to the consignor. Akshay & Co., took delivery of the consignment on April 10, 2022 and accepted a bill drawn of Rs. 5,000 for 2 months. On June 30, 2022, Akshay & Co., reports 1,750 kg were sold at Rs. 25 per kg. The expenses of the consignee were Rs. 1,850 towards godown rent, advertisement and salaries of salesmen. Akshay & Co., charged a commission of 3% plus 2% del credere commission. Akshay & Co., further reported a loss of 20 KG., leakage. Prepare the necessary ledger accounts in the books of the consignor.

SECTION-D

Answer any ONE of the following questions, carries SIX Marks.

(1X6=6)

10. Prepare Memorandum Trading account with six imaginary figures.
11. Prepare Bangalore Branch Account in the books of Bombay Head Office with imaginary figures.
