UUCMS. No. $\square$

# B.M.S. COLLEGE FOR WOMEN, AUTONOMOUS <br> BENGALURU - 560004 <br> SEMESTER END EXAMINATION - SEPTEMBER 2023 

B.Com - $\mathbf{2}^{\text {nd }}$ Semester<br>\section*{ADVANCED FINANCIAL ACCOUNTING}

(NEP Scheme 2021-22 onwards F+R)

## Course code: COM2DSC04

QP Code: 2021
Duration: $2 ½$ Hours

## SECTION-A

1. Answer any FIVE of the following questions. Each question carries TWO Marks. (5X2=10)
a. What do you mean by invoice price?
b. What do you mean by Independent branch?
c. Why average clause is included in fire insurance claims?
d. State any two advantages of conversion of SES in to DES.
e. Mention any two Objectives of hire purchase system.
f. What is departmental accounting?
g. Who is hire vendor?

## SECTION-B

Answer any FOUR of the following question. Each question carries FIVE Marks. (4X5=20)
2. A fire occurred on 31.03 .2020 in the premises of a firm and stock was destroyed with the exception of the value of $1,24,080$ the following particulars are available from the books of accounts of the firm

| Particulars | Amount(₹) |
| :--- | ---: |
| Stock on 31.12.2019 | $₹ 1,80,000$ |
| Purchases to the date of Fire | $₹ 7,80,000$ |
| Sales to the date of Fire | $₹ 5,40,000$ |
| Carriage Inwards | $₹ 24,000$ |
| Commission paid on purchases to the purchase <br> manager | $2 \%$ |
| Rate of Gross Profit on Cost | $50 \%$ |

You are required to calculate:
a. Total Loss of stock
b. Amount of claim to be lodged with the insurance company
3. X Ltd has is H . O at Mumbai and branch at Tumkur.You are given the following information from which you are required to prepare Tumkur Branch a/c in the books of the H.O

| Particulars | Amount(₹) |  |
| :--- | ---: | ---: |
| Stock at the branch on 1.1.2021 | 60,000 |  |
| Debtors at branch on 1.1.2021 | 20,000 |  |
| Petty cash at branch on 1.1.2021 | 5,000 |  |
| Goods sent to branch on 1.1.2021 | $1,00,000$ |  |
| Cash sent to branch for: |  |  |
| Salaries | 6,000 |  |
| Rent | 3,000 | 9,000 |
| Cash collected from Debtors |  | $2,00,000$ |
| Cash sales | $1,00,000$ |  |
| Balances as on 31.12.2021 |  |  |
| Stock | 10,000 |  |
| Debtors | 15,000 |  |
| Petty cash | 3,000 | 28,000 |

4. Calculate the cash price from the following details:

| Particulars | Amount(₹) |
| :--- | ---: |
| Down payment | 6,000 |
| $1^{\text {st }}$ Installment is payable at the end of the first quarter of the year | 7,200 |
| $2^{\text {nd }}$ Installment is payable at the end of the second quarter of the year | 6,900 |
| $3^{\text {rd }}$ Installment is payable at the end of the third quarter of the year | 6,600 |
| $4^{\text {th }}$ Installment is payable at the end of the fourth quarter of the year | 6300 |
| Rate of interest 20\%p.a |  |
| Rate of depreciation $15 \%$ p.a (straight line) |  |

5. From the following particulars of M/S Niharika Enterprises, prepare a departmental trading account.

| Particulars | Amount ((₹)) |
| :--- | ---: |
| Stock on 1 ${ }^{\text {st }}$ January |  |
| Dept. A | 5000 |
| Dept. B | 7000 |
| Purchases during the year |  |
| Dept. A | 60000 |
| Dept. B | 50000 |
| Sales during the year |  |
| Dept. A | 80000 |
| Dept. B | 75000 |
| Wages | 31000 |
| Carriage Inwards | 15500 |
| Power | 7750 |
| Stock on 31s ${ }^{\text {st }}$ December |  |
| Dept. A | 2000 |

Apportion the expenses in proportion to the turnover of each department.
6. Give the meaning of down payment. State any three differences between Hire purchase system and Installment system.

## SECTION-C

Answer any TWO of the following questions. Each question carries TWELVE Marks. (2X12=24)
7. A fire destroyed the stock of a firm on October 1,2022 . The business records were saved and form them, the following particulars were ascertained

| Stock at cost on April 1,2021 | $₹ 88,600$ |
| :--- | ---: |
| Stock at cost on March 31,2022 | $₹ 71,100$ |
| Purchases for the year ending 31.03.2022 | $₹ 2,07,700$ |
| Sales for the year ending 31.03.2022 | $₹ 3,05,000$ |
| Purchases from march 2022 to September 30,2022 | $₹ 1,18,000$ |
| Sales for the above period | $₹ 1,78,143$ |

In valuing stock on $31^{\text {st }}$ march, 2022 ₹ 1,600 had been written off a particular line of goods which had originally cost ₹ 3,600 and which was sold in June 2022 for 3,500. Except this transaction the ratio of Gross profit remained unchanged throughout.

The value of stock salvaged from the fire was ₹ 10,210 . You are required to find the amount of the claim to be presented to the insurance company in respect of the loss of stock.
8. $\mathrm{M} / \mathrm{s} \mathrm{Z} \& \mathrm{Co}$. had two departments you are informed to prepare the trading and profit and loss a/c for each department for the year ended on $31^{\text {st }}$ march 2021, on the basis of the following information.

| Particulars |  | Dept. A(₹) | Dept B(₹) |
| :--- | ---: | ---: | ---: |
| Stock(1.4.2020) |  | 25,000 | 20,000 |
| Purchases |  | $2,30,000$ | $1,90,000$ |
| Sales |  | $6,33,000$ | $4,92,000$ |
| Sales return | 3,000 | 2,000 |  |
| Closing stock (31.03.2021) |  | 30,000 | 18,000 |
| Wages |  | 80,000 | 60,000 |
| Salaries |  | 40,000 | 25,000 |
| Other common expenses: |  |  |  |
| Rent |  |  |  |
| Electricity | 6,000 |  |  |


| Depreciation | 18,000 |  |  |
| :--- | ---: | :--- | :--- |
| Selling expenses | 8,000 |  |  |

Some other relevant information is given below:

| Particulars | Dept. A(₹) | Dept.B.(₹) |
| :--- | :---: | :---: |
| Light points | 18 | 9 |
| Value of Assets $(₹)$ | $1,50,000$ | $1,20,000$ |
| Floor area $(\mathrm{Sq.ft})$ | 300 | 200 |

9. Manjunath purchased a bicycle from the Fitness Products Co. on 1/1/2020 under the hire purchase system scheme. He paid ₹ 50000 immediately and ₹ 50000 each on four occasions - 30/6/2020,31/12/2020,30/6/21 and 31/12/21 along with interest at $10 \%$ p.a. Mr. Manjunath closes his books of accounts on $31^{\text {st }}$ December each year.

Prepare the Bicycle account, Vendor account and interest account in the books of Manjunath under asset accrual method.

## SECTION-D

Answer any ONE of the following questions, carries SIX Marks.
10. State under which basis will you distribute the following expenses in the departmental accounting.
a. Rent paid
b. Carriage inwards
c. Lightening
d. Depreciation on furniture
e. Canteen expenses
f. Salesman salary
11. State any six contents of hire purchase agreement with imaginary figures.

