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II Semester B.Com. 2 / BCLS-2 / BCTT-2 Degree Examination, September - 2021

**COMMERCE**

**Advanced Financial Accounts**

(CBCS Scheme Regular and Repeaters 2019-20 Onwards)

**Time : 3 Hours**

**Maximum Marks : 70**

**Instructions to Candidates:**

1. Answers have to be completely written in **English**.

**SECTION - A**

- I.** Answer any **FIVE** sub-questions. Each sub-question carries **2** Marks. (5×2=10)

1. a) What is Under Insurance?  
 b) Who is a Consignee?  
 c) What is the difference between a Partnership and Joint Venture? (2 differences).  
 d) What is Recoupment of Short Working?  
 e) Why a firm is converted into a Limited Company? (any two reasons).  
 f) What is Overriding commission in a Consignment Contract?  
 g) Policy Value : 2,00,000, Stock on the Date of fire : 3,00,000, Actual Lose: 2,40,000.  
 Find the Claim Amount.

**SECTION - B**

- II.** Answer any **THREE** questions. Each question carries **5** Marks. (3×5=15)

2. A fire accident in a business premises on July 20, 2020 destroyed a considerable part of the stock excepting stock worth Rs. 8,000.

The books disclosed that stock 1/4/20 was Rs. 90,000/-. The purchases from 1/4/20 to the date of fire was Rs. 2,50,000 and the Sales for the same period amounted Rs. 3,60,000/-. Average G. P. Rate was 32% on Sales. Calculate the Claim.

**[P.T.O.]**



3. A Contract of lease provided for the payment of royalty at Rs. 20 per unit sold. Calculate the royalty from the following:

Year	Output	Cl. Stock
1	8,000	450
2	8,400	800
3	10,000	1,000
4	11,000	1,200
5	12,000	1,400

4. Goods Sent on Consignment 2000 units.  
Goods Sold by the Consignee 1600 units.  
Cost Value of Goods sent Rs. 800 per unit.  
Freight Paid by the Consigner Rs. 10,000.  
Transit Insurance Paid by Consignor Rs. 6,000.  
Recurring Expenses paid by Consignee Rs. 4,000.  
Non-Recurring Expenses Paid by Consignee Rs. 6,000.  
Find the Value of Closing Stock with Consignee.
5. The Purchasing Company agreed to give the following at the Sale of a firm to the Company.
- 30,000 shares of Rs. 10 each @ Rs. 12 per Share.
  - 12,000 debentures of Rs. 30 each @ a discount of 5%.
  - Cash Equivalent to 15% of the face value of Shares & debentures.
- Calculate the Purchase Consideration.

SECTION - C

- III. Answer any **THREE** of the following. Each question carries 15 Marks. (3×15=45)

6. A & B entered into a Joint venture to construct a building to C Ltd. for Rs. 2,00,000/- & the price was payable as Rs. 1,20,000 in cash Rs. 80,000 in Shares. A introduced Rs. 60,000 and B introduced Rs. 40,000 as capital which was deposited by opening a joint Bank Account. The Profit Sharing is 3:2.  
Wages & Salaries Paid : 30,000  
Materials Paid : 35,000  
Other Expenses Paid : 15,000  
The above payments were made from the Joint Bank Account. The Contract was completed and price received duly. A took over the shares for Rs. 90,000 and B took over the left over stock for Rs. 5,000/-.  
Show the ledger accounts taking separate books are maintained.



7. A fire occurred in the premises of a trader on 1/10/20. Calculate the Claim to be made with the information given below:

Stock on 1/4/19	1,26,000
Purchases for the Year Ending 31/3/20	8,35,000
Sales for the Year Ending 31/3/20	10,00,000
Wages for that period	40,000
Salary for that period	20,000
Stock on 31/3/20	1,62,000
Purchases from 1/4/20 to the Date of fire	4,00,000
Sales for the Same Period	6,00,000
Stock Salvaged	15,000
Value of the Policy	70,000

The firm had the practice of valuing the stock at cost plus 20% and was changed to value the stock at cost less 10% on 31/3/20.

8. M took a mine on lease from N with a contract that the minimum rent would be Rs. 50,000/- per annum and royalty would be Rs. 10 per unit of output. It was agreed that the shortworkings would be recouped within first four years only. The following were the outputs.

Year	Output in Units
1	1700
2	3200
3	4600
4	6200

Prepare the necessary ledger accounts in the books of M, the lessee.

9. P, Q & R were partners sharing profits & Losses in the ratio of 3:2:1 respectively. They decided to convert their partnership into a Limited Company on which date their Balance Sheet was as follows:

BALANCE SHEET AS ON 31/3/2020

Liabilities	Rs.	Assets	Rs.
Current Liabilities	16,000	Machinery	23,000
Capitals		Stock	20,000
P	34,800	Debtors	16,800
Q	16,000	Cash	13,000
R	12,000	P & LA/c	6,000
	78,800		78,800

The new company agreed to take over all the assets & liabilities and pay the purchase consideration of Rs. 65,800 by the allotment of 3600 shares of Rs. 10 each and the balance in Cash. Prepare the necessary ledger accounts to close the books of the firm.

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