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BCMCMCN 201

**Second Semester B.Com. Examination, September 2022
(NEP 2020) (2021 – 22 Batch Onwards)
ADVANCED FINANCIAL ACCOUNTING – II (DSCC)**

Time : 2 Hours

Max. Marks : 60

SECTION – A

Answer **any five** of the following.

(2×5=10)

1. Write a note on Average Clause.
2. How do you treat “salvaged goods” for calculating insurance claim for loss of stock ?
3. What is Hire Purchase System ?
4. What is the meaning of the term “Repossession” ?
5. State two important features of Independent Branches.
6. What is Single Entry System ?
7. What do you understand by Inter-Departmental Transfer ?
8. When the cost price of the asset is ₹ 30,000. Down payment ₹ 5,000 and the amount of three instalments are ₹ 10,000 only. Find out the hire purchase price.

SECTION – B

Answer **any four** of the following.

(5×4=20)

9. Distinguish between Single Entry System and Double Entry System.
10. From the following particulars, find out credit sales by preparing Total Debtors Account :

	Rs.
Opening debtors	60,000
Cash received from debtors	4,00,000
Cheques received from debtors	45,000

P.T.O.



Sales return	4,000
Cheques from debtors dishonoured	2,000
Bad debts written off	5,000
Discount allowed	1,000
Provision for doubtful debts	500
Closing debtors	68,000

11. What basis would you consider best to allocate the following expenses in the Departmental A/c ?
- Labour welfare expenses
 - Bad debts
 - Repairs to Machinery
 - Carriage Inward
 - Rent.

12. On 15 April 2021 a fire occurred in the premises of ABC company. From the following particulars ascertain the amount of claim to be lodged in case of stock which was insured.

	Rs.
Stock on 1 April 2021	2,00,000
Purchases from 1 April 2021 to the date of fire	3,00,000
Wages	1,00,000
Manufacturing expenses	60,000
Sales from 1 April 2021 to the date of fire	4,80,000
The gross profit ratio is 25% on sales. The stock salvaged was	19,500

13. Suraj purchased a machine from Sudhir Machinery Ltd. on hire purchase system on 1-04-2019 payable 10,000 down and balance as under : 13,000 at the end of first year, 12,000 at the end of second year and 11,000 at the end of third year. Interest is charged at 10% p.a. Ascertain cash price and the interest.

14. From the following information prepare Mangalore Branch A/c in the books of Bangalore Head Office when goods are supplied at cost price.

Opening stock	10,000
Closing stock	15,000
Goods sent to branch	50,000
Goods returned by branch	1,000
Opening petty cash	200



Closing petty cash		300
Cash sent to branch for :		
Salary	4,000	
Rent	1,000	
Petty cash	<u>2,000</u>	7,000
Cash remitted by branch to HO		30,000

SECTION – C

Answer **any two** of the following.

(15×2=30)

15. A fire occurred in the premises of SR company on 1-7-2021. From the following information calculate the claim to be made against the company.

	Rs.
Stock on 1-1-2020	63,000
Purchases for the year ending 31-12-2020	4,00,000
Sales for the year ending 31-12-2020	5,00,000
Wages for the year ending 31-12-2020	18,000
Manufacturing expenses for the year ending 31-12-2020	2,000
Salary for the year ending 31-12-2020	10,000
Stock on 31-12-2020	81,000
Purchases from 1-1-2021 to the date of fire	2,00,000
Sales from 1-1-2021 to the date of fire	3,00,000
Stock salvaged	10,000

Value of policy is 30,000. There is an average clause in the policy. It is the practice of the company to value the stock at 10% less than cost.

16. Madras Transport Company purchased a motor car from Mumbai Motor Company on hire purchase agreement on 1-4-2018. Madras Transport Company paid 10,000 cash as down payment and agreed to pay further 3 installments of 10,000 on 31 March every year. The cash price of the car was 37,250. Mumbai Motors Company charged interest of 5% p.a. The Madras Transport Company writes off depreciation at 10% p.a. under reducing balance method.

Prepare the following accounts in the books of Madras Transport Company :

- 1) Motor Car A/c
- 2) Mumbai Motors Company A/c
- 3) Interest A/c
- 4) Depreciation A/c.



17. A firm has two departments A and B. A department supplies material to B department at its usual selling price. From the following particulars prepare Departmental Trading and Profit and Loss A/c and General Profit and Loss Account for the year 2020.

Particulars	Dept. A	Dept. B
Opening stock	6,00,000	1,00,000
Purchases	40,00,000	30,000
Sales	44,00,000	9,00,000
Transfer to B department	6,00,000	—
Manufacturing expenses	—	1,20,000
Selling expenses	40,000	12,000
Closing stock	4,00,000	1,20,000

The stocks in the department B may be considered as consisting of 80% of material and 20% other expenses. Department A earned a gross profit at the rate of 15% in the year 2019. General expenses of the business as a whole came to ₹ 1,30,000.

18. Naveen kept his books of accounts under single entry system. An analysis of rough cash book for the year 2021 shows the following :

Cash Account			
	Amount (Rs.)		Amount (Rs.)
To Debtors A/C	60,000	By Bank overdraft on 1.04.2020	7,400
To Capital A/C	5,000	By Creditors	25,000
		By Business expenses	10,000
		By Wages	15,500
		By Drawings	3,000
		By Balance at bank on 31.03.2021	4,000
		By Cash in hand 31-03-2021	100
	65,000		65,000

The following additional information is available :

	1-04-2020 (Rs.)	31-03-2021 (Rs.)
Sundry Debtors	53,000	58,000
Sundry Creditors	19,500	15,000
Stock	19,000	17,000
Machinery	20,000	20,000
Furniture	1,400	1,400

All the sales and purchases were on credit.

From the above information, prepare Trading and Profit and Loss Account and Balance Sheet after providing depreciation on Machinery at 10% and Furniture at 5%.