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**BCMCMCN 201**

**II Semester B.Com. Degree Examination, July/August 2023  
(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. What is Under Insurance ?
2. What is Dependent Branch ?
3. Give the meaning of Cash Price and Hire Purchase Price.
4. What is meant by Partial Repossession ?
5. What do you understand by Inter-departmental Transfer ?
6. What is Hire Purchase System ?
7. Pass the adjusting entries in the books of H.O.
  - a) Goods amounting to ₹ 500 transferred from A branch to B branch.
  - b) Remittance ₹ 4,250 made by Mysore branch to H.O. on 28<sup>th</sup> March 2022 was received by the latter on 1<sup>st</sup> April 2022.
8. The cash price of the TV set was ₹ 3,00,000. ₹ 30,000 being paid on delivery and the balance in 5 equal annual installments of ₹ 60,000. Calculate the interest.

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**P.T.O.**



## SECTION – B

Answer **any four** of the following :

(5×4=20)

9. What is Single Entry System ? Explain the merits of Single Entry System.
10. From the following particulars, find out Credit Sales by Preparing Total Debtors Account :

	₹
Opening debtors	40,000
Cash received from debtors	3,30,000
Cheques received from debtors	50,000
Sales return	4,000
B/R received during the year	20,000
B/R honoured during the year	5,000
Cheques from debtors dishonoured	2,000
Bad debts written off	5,000
B/R dishonoured	1,000
Provision for doubtful debts.	500
Closing debtors	70,000

11. What basis would you consider best to allocate the following expenses in the Departmental A/c ?
- Lighting
  - Freight
  - Discount allowed
  - Carriage Inward
  - Factory Rent.



12. Deepak purchased a Scooter on 1-1-2019 on the Hire Purchase System. The payment is to be made as follows :
- ₹ 4,000 on delivery, ₹ 7,600 at the end of the first year
  - ₹ 6,000 at the end of the second year and
  - ₹ 5,500 at the end of the third year
- Interest at 10% p.a. is included in these installments.
- Find out cash price of the Scooter.

13. A fire occurred in the business premises of Zoom Ltd. on 10<sup>th</sup> October 2021, from the following ascertain the claim.

	₹
1. Stock on 1-4-2020	30,600
Purchases from 1-4-2020 to 31-3-2021	1,22,000
Sales from 1-4-2020 to 31-3-2021	1,80,000
Stock as on 31-3-2021	27,000
Purchases from 1-4-2021 to the date of fire	1,47,000
Sales from 1-4-2021 to the date of fire	1,50,000
Stock salvaged was	18,000

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

	₹
Stock on 1-1-2022	1,00,000
Stock on 31-12-2022	1,20,000
Petty cash as on 1-1-2022	2,000
Petty cash on 31-12-2022	3,000
Furniture on 1-1-2022	50,000
Goods sent to branch	3,00,000
Goods returned by branch	10,000
Cash sent to branch by the Head Office	40,000
Cash remitted by branch to Head Office	3,20,000
Charge depreciation on Branch furniture on cost price at 10% p.a.	



## SECTION – C

Answer **any two** of the following.

(15×2=30)

15. A fire occurred in the premises of ABC Ltd. on 30<sup>th</sup> September 2021. All the stock with exception of 13,000 were destroyed by fire. From the following figures ascertain the loss suffered by the company.

	₹
Stock on 1-4-2020	36,000
Stock on 31-3-2021	66,000
Purchases during 2020-21	4,80,000
Sales during 2020-21	6,00,000
Purchases from 1-1-2021 to the date of fire	2,30,000
Sales from 1-4-2021 to the date of fire	3,00,000

On 20<sup>th</sup> March also, fire broke out and the cost of stock destroyed was ₹ 10,000.

There was a practice in the firm to value stock at cost less 10%. But all of a sudden, they changed this practice and valued stock on 31-3-2021 at cost plus 10%. The amount of policy was ₹ 40,000 and the claim was subject to an average clause.

Prepare statement of fire insurance claim.

16. Mr. Raj Kiran purchased a motor car from Bharat Motor Company on hire purchase agreement on 1-4-2019. The cash price of the car was ₹ 7,45,000 and the payment was made as follows : On signing the agreement ₹ 2,00,000 and the balance in 3 installment of ₹ 2,00,000 each at the end of each year. 5% interest is charged by the vendor. Mr. Raj Kiran has decided to write off 10% depreciation annually on diminishing balance method.

Prepare the following accounts in the books of Mr. Raj Kiran : 1) Motor Car A/c 2) Bharat Motor Company A/c 3) Interest A/c 4) Depreciation A/c.



17. From the following Trial Balance of Sharma Ltd., prepare Departmental Trading and Profit and Loss A/c and Balance Sheet for the year ended 1-4-2020.

	Dr.	Cr.
Stock on 1-4-2020		
X Department	1,74,000	—
Y Department	1,47,000	—
Purchases		
X Department	3,50,000	—
Y Department	3,00,000	—
Sales		
X Department	—	6,00,000
Y Department	—	4,00,000
Wages		
X Department	87,000	—
Y Department	22,000	—
Rent	93,900	—
Sundry expenses	36,000	—
Salaries	30,000	—
Lighting	21,000	—
Discount	22,200	6,500
Advertising	36,800	—
Carriage inward	23,400	—
Furniture	30,000	—
Plant	2,10,000	—



Debtors and Creditors	60,600	3,06,500
Capital	—	4,76,600
Drawings	45,000	—
Cash at bank	1,00,700	—
	<b>17,89,600</b>	<b>17,89,600</b>

**Adjustments :**

- 1) Internal transfer of goods from Department X to Department Y ₹ 4,200.
- 2) The items Rent, Sundry expenses, Lighting, Salaries and Carriage inwards to be apportioned 2/3 to Department X and 1/3 to Department Y.
- 3) Advertising is to be apportioned equally.
- 4) Discounts are to be apportioned on the basis of sales and purchases (Excluding transfer).
- 5) Depreciation at 10% p.a. on furniture and plant, to be charged 3/4 to Dept. X and 1/4 to Dept. Y.
- 6) The stock at 31-12-2020  
 Dept. X - ₹ 1,67,400  
 Dept. Y - ₹ 1,20,500.

18. Praveen kept his books of accounts under Single Entry System. He gives you the following information :

	1-4-2021 (₹)	31-3-2022 (₹)
Sundry Debtors	6,000	7,000
Sundry Creditors	2,000	4,200
Stock	3,000	1,000
Furniture and fittings	5,000	6,000



Prepaid expenses	-	200
Unpaid expenses	600	1,000
Receipts and payment during the year :		
Receipts from Debtors	21,000	
Paid to Creditors	10,000	
Carriage on purchases	2,000	
Drawings	12,000	
Sundry expenses	16,000	
Furniture purchased for cash	1,000	

Prepare a Trading and Profit and Loss A/c for the year ended 31-3-2022 and a Balance Sheet as on that date after providing for doubtful debts at 10%.

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