

(Pages : 6)



S – 3541

Reg. No. : .....

Name : .....

**Third Semester B.Com. Degree Examination, February 2024**

**First Degree Programme under CBCSS**

**Core Course**

**CO 1343/CC 1344 (2014 – 2017 Admission)/**

**CO 1342/CX 1342/TT 1342/HM 1342/CC 1343 (2018 Admission Onwards)**

**ADVANCED FINANCIAL ACCOUNTING**

**(Common for Commerce, Commerce and Tax Procedure and Practice/Commerce and Hotel Management and Catering/Commerce and Computer Application, Commerce and Tourism and Travel Management)**

Time : 3 Hours

Max. Marks : 80

**SECTION – A**

Answer **all** questions in **one** or **two** sentences each. Each question carries **1** mark.

1. Define partnership.
2. What is fixed capital?
3. What is realisation account?
4. What do you understand by unrecorded assets?
5. What is consignment?
6. What do you understand by account sales?

P.T.O.

7. What do you understand by *del-credere* commission?
8. What do you mean by "Debtors" method in branch accounts?
9. What are dependent branches?
10. What is abridged incorporation?

(10 × 1 = 10 Marks)

### SECTION – B

Answer any **eight** questions in not exceeding **one** paragraph each. Each question carries **2** marks.

11. Briefly explain the principles of Garner vs. Murray when a partner becomes insolvent.
12. What are the reason for dissolution of partnership?
13. What do you mean by account sales?
14. Explain how Del Credere Commission is calculated.
15. Briefly explain abnormal loss in consignment.
16. What do you mean by remittance-in-transit?
17. Give two examples of businesses in which joint venture are generally used.
18. What are the main types of branches from accounting point of view?
19. What are the objectives of branch accounting?
20. What are joint expenses? Give an example.

21. Sundaran of Palghat sent 100 bicycles at a cost of Rs. 1,200 each to Rasheed of Malappuram on consignment basis. Sundaran paid loading charges Rs. 2,000, freight Rs. 1,500 and insurance Rs. 500. Rasheed has spent Rs. 200 as cartage, Rs. 300 as loading and unloading charges, Rs. 1,000 as godown rent and selling expenses Rs. 350. As the end of the accounting period, 25 bicycles remained unsold. The selling price is Rs. 1,600 per bicycle. Calculate the value of stock.
22. Thushar Garments Ltd. opened a branch at Pandalam on 1<sup>st</sup> April, 2020. Prepare Pandalam Branch Account for the year ended 31<sup>st</sup> March 2021, from the following information.

	Rs.
Goods sent to Pandalam Branch	3,25,000
Cash sent to branch for –	
Salaries	35,000
Rent	32,000
Sundry expenses	10,000
Cash remitted by the branch	4,32,000
Closing stock at branch	60,500
Petty cash in branch (31.3.2021)	1,400

**(8 × 2 = 16 Marks)**

### SECTION – C

Answer any **six** questions in not exceeding **120** words each. Each question carries **4** marks.

23. How deficiency of creditors is paid off at the time of dissolution of firm?
24. Distinguish between Realization Account and Revaluation Account.
25. Distinguish between Consignment and Sale.

26. What are the advantages of departmental accounts?
27. Pass the necessary journal entries for the following transactions on the dissolution of a firm, after various assets (other than cash) and third party liabilities have been transferred to Realization Account :
- Bank Loan Rs. 10,000 is paid.
  - Stock worth Rs. 5,000 is taken over by partner X.
  - Expenses on dissolution amounted to Rs. 1,200 and were paid by partner Y.
  - Loss on Realization Rs. 7,000 was to be distributed between X and Y in the ratio of 5 : 2.
28. A, B and C commenced business on January 1, 2020, with a capital of Rs. 50,000, Rs. 30,000, and Rs. 20,000 respectively. Profits and losses were shared in the ratio of 5:3:2. Capitals carried interest at 5% per annum. During 2020 and 2021, they made a profit of Rs. 30,000 and 40,000 before allowing interest on capitals. Drawings of each partner were Rs. 6,000 per year.

On December 31, 2021, the firm was dissolved. Creditors on that date were Rs. 20,000. The assets realised were Rs. 1,64,000 net. Give the necessary accounts to close the books of the firm.

29. Messrs. Western India Company of Chengannur consigned 100 steel chairs to Global Trading Company of Meerut. The cost of each steel chair was Rs. 500. The consignors paid insurance Rs. 500; Freight Rs. 800. Account sales was received from Global Trading Company showing gross sale proceeds of 80 units at Rs. 600 each. The expenses paid and deducted by them were :

	Rs.
Carriage	20
Establishment expenses	130
Commission @ 5%	2,400
	<u>2,550</u>

Show Consignment to Meerut Account in the books of Consignor.

30. Give the various journal entries to be passed in case where separate set of books are maintained for recording joint venture transactions.
31. Following are the extracts from Trial Balances of a head office and a branch. You are required to pass the necessary journal entries for reconciling the balances of the Head Office Account and the Branch Account.

Particulars	Trial Balance			
	Head Office		Branch Office	
	Dr.	Cr.	Dr.	Cr.
	Rs.	Rs.	Rs.	Rs.
Current Accounts	1,00,000			90,000
Goods sent/received by Branch		1,50,000	1,45,000	

(6 × 4 = 24 Marks)

#### SECTION – D

Answer any **two** questions in not exceeding **four** pages each. **Each** question carries **15** marks.

32. Discuss the mode of settlement of accounts after dissolution.
33. Kannan sent 500 articles to his agent Jayan at an invoice price (cost to Kannan) of Rs. 25 per article and paid freight and cartage Rs. 460. Jayan sold 300 articles @ Rs. 30 per article and sent an account sales deducting Rs. 200 for storage charges and Rs. 300 for selling expenses. He charged 10% commission on the gross sale proceeds and remitted the amount due to Kannan. Jayan also informed Kannan that 50 articles had been damaged in transit and they fetched only total 70% of their cost. Prepare necessary ledger accounts in Kannan's books of accounts showing the profit earned by the consignor.
34. X, Y and Z enter into a joint venture to share profits in the ratio of 3 : 2 : 1 respectively. X, Y and Z contributed Rs. 3,000, Rs. 4,000 and 5,000 respectively, which amounts were deposited in a Joint Bank Account. They purchased goods worth Rs. 10,000 from N, and made him the payment by cheque. They incurred Rs. 250 as expenses on the goods purchased.
- A part of the goods was sold for Rs. 9,000 and the amount was received in cash. The remaining goods were sold to P on credit for Rs. 6,000, who accepted a bill, which was discounted for Rs. 5,900.
- X was allowed commission @ 5% on sales for his extra services. Prepare Joint Venture Account, Joint Bank Account and Personal Accounts.

35. Messrs. Mighty and Company opened a branch at Chennai. The following are the transactions between the Head Office and the Branch for the year ending 31st December, 2021 :

	Rs.	Rs.
Sale of goods at branch (1-1-2021)	12,000	
Sundry debtors (1-1-2021)	8,000	
Goods sent to branch	96,000	
Returns from customers	4,000	
Returns from branch	2,000	
Discount allowed to customers	3,000	
Remittance from branch :		
Cash sales	12,000	
Received from debtors	<u>1,00,000</u>	1,12,000
Cheques sent to branch :		
Salaries	6,000	
Insurance	1,500	
Petty cash	<u>500</u>	8,000
Stock at branch (31-12-2021)		10,000
Sundry debtors (31-12-2021)		13,000
Petty cash balance (31-12-2021)		100

Prepare Chennai Branch Account and Memorandum Trading and Profit and Loss Account in the books of the Head Office.

**(2 × 15 = 30 Marks)**