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G. VENKATASWAMY NAIDU COLLEGE (AUTONOMOUS), KOVILPATTI – 628 502.



UG DEGREE END SEMESTER EXAMINATIONS - NOVEMBER 2024.

(For those admitted in June 2021 and later)

PROGRAMME AND BRANCH: B.COM.

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
III	PART - III	CORE	U21CO305	ADVANCED FINANCIAL ACCOUNTING

Date & Session: 05.11.2024 / AN

Time: 3 hours

Maximum: 75 Marks

Course Outcome	Bloom's K-level	Q. No.	SECTION - A (10 X 1 = 10 Marks) Answer <u>ALL</u> Questions.													
CO1	K1	1.	Under Debtors system, branch account is a _____. a) Personal b) Real c) Nominal d) Normal													
CO1	K2	2.	Selling expenses should be divided among the different departments on the basis of _____. a) Purchases b) Purchase Returns c) Sales d) Sales Returns													
CO2	K1	3.	Under Hire Purchase System, buyer becomes the owner on payment of _____ instalment. a) first b) second c) third d) last													
CO2	K2	4.	The last instalment paid under hire purchase comprises _____. a) credit b) instalment c) cash price and interest d) return													
CO3	K1	5.	Royalty is the agreement between the following persons. a) Seller and Buyer b) Banker and Customer c) Insured and Insurer d) Landlord and tenant													
CO3	K2	6.	Royalties are connected with the following type of business. a) Cotton Industry b) Mining Industry c) Construction Business d) Agriculture													
CO4	K1	7.	In Contract Costing, Contract Account is prepared by the _____. a) Contractor b) Buyer c) Seller d) Employer													
CO4	K2	8.	The output used by owner's family should be treated as _____. a) an income b) an expenditure c) drawings d) sales													
CO5	K1	9.	Partner's salaries will be debited to _____ Account. a) Ledger b) Trading c) Profit and Loss Appropriation d) Cash													
CO5	K2	10.	Goodwill is _____ asset. a) tangible b) intangible c) current d) fixed													
Course Outcome	Bloom's K-level	Q. No.	SECTION - B (5 X 5 = 25 Marks) Answer <u>ALL</u> Questions choosing either (a) or (b)													
CO1	K3	11a	The following information relates to Madurai Branch. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Rs.</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Stock on 01.01.2023</td> <td></td> <td>11,200</td> </tr> <tr> <td>Branch debtors on 01.01.2023</td> <td></td> <td>6,300</td> </tr> <tr> <td>Goods sent to Branch</td> <td></td> <td>51,000</td> </tr> </tbody> </table>			Rs.	Rs.	Stock on 01.01.2023		11,200	Branch debtors on 01.01.2023		6,300	Goods sent to Branch		51,000
	Rs.	Rs.														
Stock on 01.01.2023		11,200														
Branch debtors on 01.01.2023		6,300														
Goods sent to Branch		51,000														

Cash sent to branch for		
Rent	1,500	
Salaries	3,000	
Petty Cash	<u>500</u>	5,000
Sales at branch:		
Cash	25,000	
Credit	<u>39,000</u>	64,000
Cash received from debtors		41,200
Stock on 31.12.2023		13,600

Prepare Branch Account for the year 2023.

(OR)

CO1 K3 11b. Following the following information, prepare Departmental Profit and Loss Account.

		Debit Rs.	Credit Rs.
Gross Profit	Dept. A	-	20,200
	Dept. B	-	7,440
	Dept. C	-	11,660
Salaries	Dept. A	2500	-
	Dept. B	1,500	-
	Dept. C	1,000	-
Telephone charges	Dept. A	1,050	-
	Dept. B	630	-
	Dept. C	420	-
Bad debts	Dept. A	375	-
	Dept. B	225	-
	Dept. C	150	-
Rent & Rates	Dept. A	3,000	-
	Dept. B	1,800	-
	Dept. C	1,200	-
Insurance	Dept. A	750	-
	Dept. B	450	-
	Dept. C	300	-
Printing and Stationery	Dept. A	1,000	-
	Dept. B	600	-
	Dept. C	400	-
Advertising	Dept. A	1,750	-
	Dept. B	1,050	-
	Dept. C	700	-
Depreciation on Plant and Machinery	Dept. A	3,000	-
	Dept. B	1,800	-
	Dept. C	1,200	-
Provision for Debtors	Dept. A	200	-
	Dept. B	120	-
	Dept. C	80	-

CO2 K3 12a. Identify the features of Hire Purchase System.

(OR)

CO2 K3 12b. On 01.01.2023, X purchased Machinery on Hire Purchase System. The payment is to be made Rs. 4,000 down (on signing of the contract) and Rs. 4,000 annually for three years. The cash price of the machinery is Rs. 14,900 and the rate of interest at 5%. Calculate the interest in each year's instalment.

CO3 K4 13a. Ravi took a colliery on lease. The dead rent was Rs. 750 a year, merging into a royalty of 35 paise per tonne of coal raised, with the right to recover short workings out of royalties of two subsequent years from the period in which the short working arose.

			<p>The output raised were:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Tonnes</th> </tr> </thead> <tbody> <tr> <td>I Year</td> <td>1,000</td> </tr> <tr> <td>II Year</td> <td>1,500</td> </tr> <tr> <td>III Year</td> <td>2,500</td> </tr> <tr> <td>IV Year</td> <td>1,500</td> </tr> <tr> <td>V Year</td> <td>1,000</td> </tr> </tbody> </table> <p>Analyse the amount of Short Workings and Short Workings recouped under Flexible Recoupment of Short Workings.</p> <p style="text-align: center;">(OR)</p>	Year	Tonnes	I Year	1,000	II Year	1,500	III Year	2,500	IV Year	1,500	V Year	1,000				
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V Year	1,000																		
CO3	K4	13b.	<p>On 01.01.2015, Rama Collieries Ltd. leased a piece of land agreeing to pay a minimum rent of Rs. 2,000 in the first year, Rs. 4,000 in the second year and thereafter Rs. 6,000 per annum, merging into a royalty of 40 paise per tonne, with power to recoup short workings over the first three years only. The figures of annual output for the four years to 31st December 2018 were 1,000, 10,000, 18,000 and 20,000 tonnes respectively. Record these transactions in the Royalty Ledger Account of the Company.</p>																
CO4	K4	14a.	<p>The following particulars are in respect of Contract No. 20 which commenced on 01.01.2023.</p> <table border="1"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Materials issued</td> <td>58,000</td> </tr> <tr> <td>Direct wages</td> <td>75,000</td> </tr> <tr> <td>Cost of special plant</td> <td>30,000</td> </tr> <tr> <td>Direct expenses</td> <td>12,000</td> </tr> <tr> <td>Establishment charges</td> <td>8,000</td> </tr> </tbody> </table> <p>The contract was completed by 31.12.2023. The contract price was Rs. 1,75,000. The value of materials returned to stores was Rs. 5,000. The special plant was returned to stores subject to depreciation at 20% p.a. Contract price was received in full on 31.12.2023. Prepare Contract Account.</p> <p style="text-align: center;">(OR)</p>		Rs.	Materials issued	58,000	Direct wages	75,000	Cost of special plant	30,000	Direct expenses	12,000	Establishment charges	8,000				
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CO4	K4	14b.	<p>From the following information, prepare Crop Account.</p> <table border="1"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Opening Stock of Grain</td> <td>3,000</td> </tr> <tr> <td>Purchase of Seeds</td> <td>1,500</td> </tr> <tr> <td>Sale of Grain</td> <td>15,000</td> </tr> <tr> <td>Grain distributed as wages</td> <td>2,000</td> </tr> <tr> <td>Wages paid in cash</td> <td>3,000</td> </tr> <tr> <td>Grain consumed by proprietor</td> <td>2,000</td> </tr> <tr> <td>Closing stock of grain</td> <td>6,000</td> </tr> </tbody> </table>		Rs.	Opening Stock of Grain	3,000	Purchase of Seeds	1,500	Sale of Grain	15,000	Grain distributed as wages	2,000	Wages paid in cash	3,000	Grain consumed by proprietor	2,000	Closing stock of grain	6,000
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CO5	K5	15a.	<p>A and B are partners in a business sharing profits in the ratio of 5:3. They decide to admit C into the firm giving him $\frac{1}{3}$th share. Calculate the new profit sharing ratio and sacrificing ratio of the partners.</p> <p style="text-align: center;">(OR)</p>																
CO5	K5	15b.	<p>X, Y and Z were partners sharing profits in the ratio of 2:2:1. Z retires and his share was taken up by X and Y in the ratio of 3:2. Calculate the gaining ratio of X and Y.</p>																

Course Outcome	Bloom's K-level	Q. No.	SECTION - C (5 X 8 = 40 Marks) Answer ALL Questions choosing either (a) or (b)									
CO1	K3	16a.	<p>From the following particulars relating to Hyderabad branch for the year ended 31.12.2023, prepare Branch Account in the Head Office Books:</p> <table border="1"> <thead> <tr> <th></th> <th>Rs.</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Stock at the Branch on 01.01.2023</td> <td></td> <td>15,000</td> </tr> <tr> <td>Debtors at the Branch on 01.01.2023</td> <td></td> <td>30,000</td> </tr> </tbody> </table>		Rs.	Rs.	Stock at the Branch on 01.01.2023		15,000	Debtors at the Branch on 01.01.2023		30,000
	Rs.	Rs.										
Stock at the Branch on 01.01.2023		15,000										
Debtors at the Branch on 01.01.2023		30,000										

Petty cash at the Branch on 01.01.2023		300
Goods sent to Branch		2,52,000
Cash Sales		60,000
Cash received from Debtors		2,10,000
Credit sales		2,28,000
Cheque sent to branch		
Salaries	9,000	
Rent & Rates	1,500	
Petty Cash	<u>1,100</u>	11,600
Stock at the branch on 31.12.2023		25,000
Petty cash on 31.12.2023		200
Goods returned by the branch		2,000
Debtors on 31.12.2023		48,000

(OR)

CO1 K3 16b. Following the following information, prepare Departmental Trading Account.

		Debit Rs.	Credit Rs.
Opening Stock	Dept. A	8,500	-
	Dept. B	5,700	-
	Dept. C	1,200	-
Purchases	Dept. A	22,000	-
	Dept. B	17,000	-
	Dept. C	8,000	-
Sales	Dept. A	-	54,000
	Dept. B	-	33,000
	Dept. C	-	21,000
Sales Returns	Dept. A	4,000	-
	Dept. B	3,000	-
	Dept. C	1,000	-
Freight and Carriage	Dept. A	1,400	-
	Dept. B	800	-
	Dept. C	200	-
Wages	Dept. A	800	-
	Dept. B	550	-
	Dept. C	150	-
Power and Water	Dept. A	600	
	Dept. B	360	
	Dept. C	240	

Adjustments:

a) Outstanding Wages: Dept. A – Nil, Dept. B - Rs. 150, Dept. C - Rs. 50

b) Closing stock: Dept. A – 3,500, Dept. B - Rs. 2,000, Dept. C - Rs. 1,500

CO2 K4 17a. Analyse the differences between Hire Purchase and Instalment System.

(OR)

CO2 K4 17b. X purchased a typewriter on hire-purchase system. As per terms, he is required to pay Rs. 800 down, Rs. 400 at the end of the first year, Rs. 300 at the end of the second year and Rs. 700 at the end of the third year. Interest is charged at 5% p.a. Calculate the total cash price of the typewriter and the amount of interest payable on each instalment.

CO3 K4 18a. A company leased a colliery on 01.01.2015 at a minimum rent of Rs. 20,000 merging into a royalty of Rs. 1.50 per tonne with power to recoup short workings over the first four years of the lease. The output of the colliery for the first four years was 9,000 tonnes, 12,000 tonnes, 16,000 tonnes respectively. Analyse the amount of Short Workings and Short Workings recovered and prepare the Short Workings Ledger Account.

(OR)

CO3 K4 18b. A company acquired lease of a mine at a minimum rent of Rs. 10,000 per annum. The royalty was fixed at Re. 0.50 per tonne. Short workings could be

recouped within three years following the year in which the short workings occur. If there is stoppage of production due to strike in any year, the minimum rent would be proportionately reduced in regard to the length of the stoppage.

The output (in tonnes) of the mine was as follows:

Year	Tonnes
2011	8,000
2012	12,500
2013	21,500
2014	26,000
2015	17,000 (Strike)
2016	30,000

During 2015, there was strike lasting for 3 months. Show the Landlord Ledger Accounts for each of the years in the books of the company.

CO4 K5 19a. Following expenses were incurred by a contractor on a contract which he started on 1st January.

	Rs.
Materials	40,000
Wages	50,000
Other expenses	15,000
Plant at cost	50,000
Cash received from contractee	1,00,000
Work certified	1,20,000
Work uncertified	60,000
Materials on hand (31 st December)	11,000
Plant value at close	43,000
Materials returned to stores	2,000

Prepare Contract Account assuming that the contract price was Rs. 3,50,000. How will work-in-progress appear in the Balance Sheet of the contractor?

(OR)

CO4 K5 19b. Prepare a 'Crop Account' of Ramanan, a small farmer, for the year ending on 31st March, 2024.

	Rs.
Opening Stock:	
Rice	2,000
Fertilizers	3,500
Seeds	1,000
Closing Stock:	
Rice	2,500
Fertilizers	3,000
Seeds	700
Purchases during the year:	
Fertilizers	2,800
Pesticides	600
Seeds	1,200
Sale of Hay	3,000
Sale of Rice	42,000
Rice used for family consumption	8,000
Rice used to pay as wages to workers	3,000
Depreciation of farming implements	1,200
Wages paid in cash	12,000

CO5 K5 20a. Calculate the amount of goodwill at three years' purchase of last five years' average profits.

The profits were:

I Year – Rs. 9,600; II Year – Rs. 14,400, III Year – Rs. 20,000,

IV Year – Rs. 6,000, V Year Rs. 10,000

(OR)

CO5	K5	20b.	A and B are partners sharing profits in the ratio of 3:1. Their Balance Sheet stood as under on 31.03.2024.					
			Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
			Salary due		5,000	Stock		10,000
			Creditors		40,000	Prepaid insurance		1,000
			Capital			Debtors	8,000	
			A	30,000		Less: Provision	500	7,500
			B	<u>20,000</u>	50,000	Cash		18,500
						Machinery		22,000
						Buildings		30,000
						Furniture		6,000
					95,000			95,000
			C is admitted as a new partner introducing a capital of Rs. 20,000 for his $\frac{1}{4}$ th share in future profits.					
			Following revaluations are made:					
			1. Stock depreciated by 5%.					
			2. Furniture depreciated by 10%.					
			3. Building revalued at Rs. 45,000					
			4. The provision for doubtful debts should be increased to Rs. 1,000.					
			Prepare Revaluation Account.					