

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai - 600 044.

B.Com. A&F - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER -II

23UAFCT2003 - Advanced Financial Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

- X purchases a car on hire purchase system. The total price of the car Rs.15,980 payable Rs.4,000 down and 3 three instalments of Rs.6,000, Rs.5,000 and Rs.2,000 payable at the end of the 1st, 2nd and 3rd year respectively. Interest is charges @ 5% per annum. You are required to calculate interest paid by the buyer to the seller each year.
- The profit for the last five years of a firm were as follows:
Year 2001 Rs.1,20,000:
Year 2002 Rs.1,50,000:
Year 2003 Rs.1,70,000:
Year 2004 Rs.1,90,000:
Year 2005 Rs.2,00,000.
Calculate goodwill of the firm on the basis of 3 years purchases of 5 years average profits.
- P,Q and R share profits in proportion of 1/2, 1/4 and 1/4. On the date of dissolution their balance sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	14,000	Sundry Assets	40,000
P's Capital	10,000		
Q's Capital	10,000		
R's Capital	6,000		
	40,000		40,000

The assets realised Rs.35,500. Creditors were paid in full. Realization expenses to Rs.1,500. Close the books of the firm.

- Mention the objectives of Accounting standards.

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5. Loyal Shoe Company opened a branch at Madras on 1.1.2020. From the following particulars, prepare the Madras Branch account for the year 2020 and 2021.

Year	2020	2021
Goods sent to Madras Branch	15,000	45,000
Cash Sent to Branch for; Rent	1,800	1,800
Salaries	3,000	5,000
Other Expenses	1,200	1,600
Cash received from branch	24,000	60,000
Stock on 31 st December	2,300	5,800
Petty Cash on hand on 31 st December	40	30

6. Ram and Ravi are partners sharing profit in the ratio of 3 : 2. They admit Raja as a new partner for 1/5 share in profit. Calculate the new profit sharing ratio and sacrificing ratio.
7. X,Y and Z who are equal partners decided to dissolve their firm. The following is their Balance Sheet after the sale of Assets:

Liabilities	Rs.	Assets	Rs.
X's Capital	1,800	Cash	1,500
Y's Capital	1,200	Z's Capital overdrawn	600
		Realization	900
	3,000		3,000

Z become insolvent and could not pay anything to the firm. Prepare the necessary ledger accounts to close the books of the firm. There is no agreement among the partners.

8. Examine the role of Accounting Standard In India.

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. R purchased a Motor car on hire purchase system. The total cash price of the car is Rs.31,960. Payable Rs.8,000 down and three instalments of Rs.12,000, Rs.10,000 and Rs.4,000 payable at the end of first, second and third years respectively. Interest is charged at 5% p.a. you are required to calculate interest paid by the buyer to the seller each year. You are required to prepare the ledger accounts in the hire purchaser account, rate of depreciation to allow 10% on straight line method. Calculations are to be made nearest rupee.

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23UAFCT2003 - Advanced Financial Accounting

10. From the following particulars relating to Salem Branch for the year ending 31.12.2022. Prepare the accounts in the Wellai Head Office Books.

Stock at the branch on 1.1.2022		8,900
Branch Debtors on 1.1.2012		4,700
Petty Cash at the branch on 1.1.2022		20
Goods sent to branch during 2022		28,400
Cash sales during 2022		15,800
Credit Sales during 2022		40,400
Received from debtors		37,900
Cash sent to branch for expenses:		
Rent	2,000	
Salary	6,000	
Petty Cash	<u>1,000</u>	9,000
Stock at the branch on 31.12.2022		5,400
Branch petty cash on 31.12.2022		30
Goods Returned by branch		800

11. A and B are partners sharing profits in the ratio of 3:1. The balance sheet stood as under on 31.12.2020.

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital Account:			Stock		1,000
A	3,000		Prepaid insurance		100
B	2,000	5,000	Debtors	800	
Salary Due		500	(-) provision	50	750
Creditors		4,000	Cash		1,850
			Machinery		2,200
			Buildings		3,000
			Furniture		600
		9,500			9,500

C is admitted as a new partner introducing a capital of Rs.2,000 for his $1/4^{th}$ share in future profit. The following revaluations are made.

- a) Stock to be depreciated by 5%
- b) Furniture to be depreciated by 10%

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- c) Building to be devalued at Rs.4,500
- d) The provision for doubtful debts should be increased to Rs.100

Prepare revaluation A/c and balance sheet after admission.

12. D,E,F and G are partners sharing 4:3:2:1. Their Position statement was as follows

Liabilities	Rs.	Assets	Rs.
Capital Accounts		Cash at Bank	4,500
D	90,000	Machinery	1,32,000
E	60,000	Stock	60,000
Sundry Creditors	1,20,000	Debtors	1,20,000
Bank Loan	60,000	Capital Accounts	
		F	10,500
		G	3,000
	3,30,000		3,30,000

The firm is dissolved. All assets realized Rs.2,46,000. The sundry creditors and bank loan were paid Rs.1,77,000 in full settlement. The expenses of dissolution are Rs.1,800. G became insolvent and F paid only Rs.9,000. Prepare ledger accounts to close the books of the firm.

13. Distinguish between AS and IFRS.
