

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. BIM - END SEMESTER EXAMINATIONS - APRIL 2025
SEMESTER - II

23UBBCT2003 - Advanced Financial Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. From the following particulars relating to Mumbai Branch for the year ending 31.12.2023. Prepare Branch Account in the head office Books:

Particulars	Amount (Rs.)	Amount (Rs.)
Stock at the Branch on 1.1.2023		15,000
Debtors at the branch on 1.1.2023		30,000
Petty cash at the branch on 1.1.2023		300
Goods sent to Branch during 2023:		
Cash Sales	60,000	
Received from Debtors	2,10,000	
		2,70,000
Credit Sales during 2023		2, 28,000
Cheque sent to branch during 2023:		
For Salaries	9,000	
For Rent & Taxes	1,500	
For Petty Cash	1,100	
		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

2. Explain the various types of Branches.
3. The following purchases were made by a business house having three departments

Department A	1,000 Units	At total cost of Rs.1,00,000
Department B	2,000 Units	
Department C	2,400 Units	
Stock on 1.01.2024	Department A	120 Units
	Department B	80 Units
	Department C	152 Units
Sales were	Department A	1020 Units at Rs.20 each
	Department B	1920 Units at Rs.22.50 each
	Department C	2496 units at Rs.25 each

The rate of Gross Profits is same in each case. Prepare Departmental Trading account.

4. Explain the objectives of Departmental Accounts
5. State the difference between Hire Purchase and Instalment System.

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6. A and B are partners sharing profit in the ratio of 3:2. They admit C into Partnership, C paying a premium of Rs.2,000 for $\frac{1}{4}$ share of profit. The new Ratio is 3:3:2. Prepare the Journal entry in the following situations:
- When Cash received towards Goodwill is retained in the business.
 - When partners withdraw the entire amount of Cash received towards Goodwill.
 - A and B withdraw Rs.1,000 and Rs.100 respectively out of the cash received towards goodwill.
 - When C pays the amount of premium privately to A and B.
7. A and B are Partners sharing Profits in the ratio of 3:1. Their Balance sheet stood as under 31.12.2023

Liabilities	Rs.	Assets	Rs.
Capital Accounts			
A	30,000	Stock	10,000
B	20,000		
Salary Due	5,000	Prepaid Insurance	1,000
Creditors	40,000	Debtors 8,000	
		(-)Pro. 500	7,500
		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 share $\frac{1}{4}$ Share in Future Profit.

Following revaluation are made:

- Stock to be depreciated by 5%
- Furniture to be depreciated by 10%
- Building to be revalued at Rs.45,000
- The Provisions for doubtful debts should be increased to Rs.1,000

Prepare Revaluation Account, Partners Capital and Balance sheet

8. A,B and C are partners sharing profits and Losses in the ration of 2:1:1. Their Balance sheet as on 31.12.2021 is as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	35,000	Sundry Assets	1,00,000
Capital Accounts			
A	25,000		
B	25,000		
C	15,000		
	1,00,000		1,00,000

On the above date, the firm is dissolved and following were the terms agreed:

The assets realised Rs.1,07,000. Creditors were paid Rs.28,000 in full settlement. Realisation Expenses amounted to Rs.2,000. Close the Books of the Firm.

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Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. From the following Particulars relating to Trichy Branch. Prepare the Branch Account in the books of the Head Office for the Year ending 31.12.2024

Particulars	Rs.	Particulars	Rs.
Stock on 1.1.2024	30,000	Bad Debts written off	300
Debtors on 1.1.2024	12,000	Discount allowed to customers	100
Petty Cash on 1.1.2024	200	Branch expenses paid by Head Office	3,000
Goods sent to Branch	50,000	Petty Cash sent to branch	500
Goods returned to Head Office	600	Petty Expenses at branch	400
Cash sales	30,000	Furniture purchased by branch	1,000
Credit Sales	42,000	Stock 31.12.2024	12,500
Sales return at Branch	250	Cash Collected from debtors	40,000

10. A Ltd., has two departments X and Y. From the following information, Prepare Departmental Trading and Profit & Loss A/c and General Profit & Loss A/c.

Particulars	X (Rs.)	Y (Rs.)
Opening Stock	1,000	3,000
Purchases	5,000	8,000
Sales	20,000	40,000
Closing Stock	2,000	3,000
Wages	1,000	2,000

Other Expenses:

	Rs.
Canteen expenses	1,500
Advertisement	1,800
Bad Debts	2,400
Carriage Inwards	1,300
Lighting	2,000
Rent	3,000
Employee State Insurance	300
Debenture Interest Paid	500
General Manager's Salary	600

Other Information	X	Y
Number of Employees	150	100
Floor Area(Sq.Ft)	1,100	400
Light Points	350	650

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11. The Madras Trading Co. purchased a Motor Car from Bombay Motor Co. on Hire Purchase agreement on 1.1.2022, paying cash Rs.10,000 and agreeing to pay further three instalments of Rs.10,000 each on 31st December each year. The cash price of the car is Rs.37,250 and the Bombay Motor Co. Charges interest at 5%p.a.

The Madras Trading Co. writes off 10% p.a. as depreciation on the reducing balance Method.

- Give Journal Entries and ledger accounts in the books of Madras Trading Co.
 - Entries in the Balance sheet in the books of Hire Purchaser
12. A, B and C are partners in a business sharing Profits and Losses in proportion of 2:2:1. Their Balance sheet as on 31.12.2024 is as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	12,000	Bank	5,000
Reserve Fund	10,000	Debtors	12,000
Capital Accounts		Stock	15,000
A	20,000	Machinery	30,000
B	15,000	P& L A/c	5,000
C	10,000		
	67,000		67,000

B retires the firm on 1.1.25 on the following Terms:

- The Goodwill of the firm is Valued at Rs.15,000
- Machinery is depreciated by 10% and Stock is Depreciated by 8%
- A bad debts provision is raised against debtors at 50%
- A liability of Rs.300 included in sundry Creditors is not likely to arise and hence should be written back.

Prepare Revaluation, Partners Capital account and Balance sheet of new Firm.

13. Ram, Rahim and Suresh share profits in the ratio of 3:2:1. On 31.12.2023, their Balance sheet was as follows:

Liability	Rs.	Assets	Rs.
Creditors	12,000	Machinery	25,000
General Reserve	3,000	Stock	11,000
Capital			
Ram	20,000	Debtors	9,500
Rahim	15,000		
Suresh	10,000		
		Goodwill	13,000
		Cash	1,500
	60,000		60,000

On the above date, the firm was dissolved. The assets except cash realised Rs.60,000. The creditors were settled at Rs.11,500. Dissolution expenses amounted to Rs.800. Evaluate with necessary ledger accounts.
