

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. Loyal shoe company opened a branch at Madras on 1.1.89. From the following particulars, prepare the Madras Branch account for the years 1989 and 1990.

	<b>1989</b> (Rs.)	<b>1990</b> (Rs.)
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 the branch	24,000	60,000
Stock on 31 <sup>st</sup> December	2,300	5,800
Petty cash in hand on 31 <sup>st</sup> December	40	30

2. A Company has two departments A and B. Dept. A supplies goods to Dept. B at its usual selling price. From the following figures prepare Departmental Trading A/c for the year 1982.

	<b>A</b> (Rs.)	<b>B</b> (Rs.)
Opening Stock (1-1-82)	30,000	—
Purchases	2,10,000	—
Transfer to B	50,000	50,000
Sales	2,00,000	60,000
Closing stock (31.12.82)	40,000	10,000

3. M and N are partners, sharing profit and loss in the ratio of 5:3. On admission of a new partner 'O', they decide to revalue the assets and liabilities of the firm as under:
- Increase the value of the building by Rs.22,000.
  - Unrecorded investment of Rs.4,000 to be brought into account.
  - Decrease the value of stock by Rs.2,000.
  - Decrease the value of furniture by Rs.1,000.
  - Write off sundry creditors by Rs.1,000.

Give necessary journal entries and prepare Revaluation account.

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4. The following is the balance sheet of A,B,C as on 31<sup>st</sup> March 2009. The profit sharing ratio 4:3:1.

Liabilities	Rs.	Assets	Rs.
Capital A/c:			
A	40,000	Machinery	20,000
B	30,000		
C	10,000		
Sundry Creditors	30,000	Buildings	30,000
		Stock	10,000
		Debtors	15,000
		Cash	35,000
	1,10,000		1,10,000

'C' retires on that date on the following terms:

- Stock and Machinery to be depreciated by 10%.
- Building to be valued at Rs.50,000

Show the Revaluation A/c, Capital A/c and Balance Sheet assuming that C is paid immediately in cash.

5. A and B are in equal partnership. Their Balance Sheet stood as follows:

Liabilities	Rs.	Assets	Rs.
Capital A:	600	Plant & Machinery	1,475
Sundry Creditors	3,900	Furniture	400
		Debtors	500
		Stock	625
		Bank	300
		B's Capital	1,200
	4,500		4,500

The assets were realised as follows:

Stock Rs.350, Furniture Rs.200, Debtors Rs.500 and Plant and Machinery Rs.700. The cost of collecting and distributing the estate amounted to Rs.150. A's private estate is not sufficient even to pay his private liabilities, whereas in B's private estate, there is a surplus of Rs.50. Prepare Realisation A/c, Cash A/c, Creditors A/c, Capital A/c's and the Deficiency A/c of the partners.

6. A head office in Mumbai sent goods to its branch at Kerala. Prepare branch account to calculate profit.

	Rs.
Debtors on 1 <sup>st</sup> July, 2007	6,000
Stock on 1 <sup>st</sup> July, 2007	5,000
Goods sent to branch	16,000
Cash sales	8,000
Cash received from debtors	14,500
Stock on 30 <sup>th</sup> June, 2008	6,000
Debtors on 30 <sup>th</sup> June, 2008	11,500

7. From the following details, Prepare departmental trading accounts.

	Department-A (Rs.)	Department-B (Rs.)
Stock on 1.1.2009	15,000	18,000
Purchases	23,000	30,000
Sales	40,000	60,000
Gross Profit ratio	20%	30%

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8. Explain the different Modes of Dissolution.

### Section C

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

9. Sham & Co. of Chennai invoiced goods to their Branch at Cochin at cost plus 33 1/3% . Prepare Branch Stock A/c, Branch Debtors A/c, Branch Expenses A/c, Branch Adjustment A/c and Branch P&L A/c.

	Rs.
Opening Stock (Invoice Price)	15,000
Debtors on 1.1.2003	11,400
Goods Invoiced to Branch (Invoice Price)	67,000
Sales:	
Cash	31,000
Credit	37,400
Cash received from Debtors	40,000
Bad debts written off	250
Discount allowed to customers	300
Expenses at branch	6,700
Closing Stock (Invoice Price)	13,400

10. Mehta Ram of Ram Nagar purchased goods for his three departments as follows:

Dept X – 200 units

Dept Y – 1,400 units            Total Cost Rs.5,100

Dept Z – 400 units

Sales of the three departments were as follows:

Dept X – 180 units @ Rs.15 per unit

Dept Y – 1,500 units @ Rs.18 per unit

Dept Z – 450 units @ Rs.6 per unit

Other information about stock in the beginning were as follows:

Dept X – 100 units

Dept Y – 400 units

Dept Z – 60 units

Mehta Ram informs you that the rate of gross profit is the same in all departments. You are required to prepare Departmental Trading Account.

11. The Balance Sheet of P and Q as on 31.12.2000. They share Profits and losses in the ratio of 3:2.

Liabilities	Rs.	Assets	Rs.
Capital:			
P	50,000	Furniture	20,000
Q	30,000		
General Reserve	30,000	Buildings	30,000
Sundry Creditors	10,000	Stock	50,000
		Debtors	15,000
		Cash	5,000
	1,20,000		1,20,000

They agreed to admit 'R' into the firm on the following terms:

(i) 'R' to bring in Rs.25,000 as capital for 1/4<sup>th</sup> Share.

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- (ii) Depreciation on Furniture @10%.
- (iii) Stock to be valued at Rs.45,000.
- (iv) Building to be valued at Rs.50,000.

Prepare revaluation account, capital account and Balance sheet of the new firm.

12. Explain the steps involved in the settlement of the accounts of a retiring partner.
13. Ram, Shyam and Mohan are partners sharing profits and losses at 2:2:1. Their Balance sheet as on 31.12.2008 is as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	4,000	Cash	5,000
Capitals:			
Ram	10,000	Sundry Debtors	4,000
Shayam	4,000		
Mohan	2,000		
Reserve Fund	5,000	Stock	5,000
		Fixtures	2,000
		Plant & Machinery	9,000
	25,000		25,000

They decided to dissolve the business. The following are the amounts realized: Plant and machinery Rs.8,500; Fixtures Rs.1,500. Stock Rs.7,000 and Sundry Debtors Rs.3,700, Creditors allowed a discount of 2%. Realisation Expenses amounted to Rs.900. There was an unrecorded asset of Rs.500 which was taken over by shyam at Rs.400. Organize the necessary accounts to close the books of firm.

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