

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 - NOVEMBER 2025
SEMESTER - II

23UAFCT2003 - Advanced Financial Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. 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.
2. Distinguish between Branch account and Departmental account.
3. On 1st January 1991, Kavitha and Sumathy entered into partnership and contributed Rs.80,000 and Rs.60,000 respectively. They share profits and losses in the ratio of 3: 2. Sumathy is to be allowed a salary of Rs.16,000 per year. Interest on capitals is to be allowed at 5% per annum. 5% interest is to be charged on drawings. During the year, Kavitha withdrew Rs.12,000 and Sumathy Rs.24,000, Interest being Kavitha Rs. 280 and Sumathy Rs.200. Profit in 1991 before the above noted adjustments was Rs.42,320. Show the distribution of profits between the partners and prepare capital accounts. When they are fixed.
4. P, Q, and R share profits in proportion of $\frac{1}{2}$, $\frac{1}{4}$, and $\frac{1}{4}$. 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. Realisation expenses amounted to Rs.1,500. Prepare Realisation account.

5. State the objectives of Accounting Standards.

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6. Sundar sells goods on H.P system at cost plus 60%. From the following prepare Hire-purchase Trading account.

Jan. 1	Goods out on H.P system at H.P price	Rs.32,000
Dec. 31	Instalments not due and unpaid	Rs.72,000
	Instalments due and unpaid	Rs.4,000

The following transactions took place during the year:

- Goods sold on H.P. Price Rs.1,60,000
- Cash received from customers at H.P Price Rs.1,12,000
- Goods received back on default valued at Rs.800.
(Instalment due Rs.4,000)

7. What are the factors affecting value of Goodwill?

8. The following purchases were made by a business house having three departments.

Department X — 1,000 units	} Total Cost Rs.1,00,000
Department Y — 2,000 units	
Department Z — 2,400 units	

Stocks on 1st January were:

Dept. A — 120 units

Dept. B — 80 units

Dept. C — 152 units

Sales were:

Dept. A — 1020 units at Rs.20 each

Dept. B — 1920 units at Rs.22.50 each

Dept. C — 2496 units at Rs.25 each

The rate of gross profit is same in each case. Prepare Departmental trading account.

Section C

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

9. Malan purchased a machine on hire purchase system on 1st January 1993. The terms of payment are four annual instalments of Rs.12,690 at the end of each year. Interest is charged @ 5% and is included in the annual payment of Rs.12,690.

Show Machinery account and Hire vendor account in the books of Malan who defaulted in the payment of the third yearly payment whereupon the vendor repossessed the Machinery. Malan provides depreciation on the machinery @ 10% p.a., on the reducing balance.

10. A Madras merchant has a branch at pudukkottaito which goods are sent at cost plus 25%. The branch keeps its own sales ledger and remits all cash received to the head office every day. All expenses are paid from the head office.

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The transactions for the branch were as follows:

Particulars	Rs.	Particulars	Rs.
Stock (1.1.94) at I.P	11,000	Cheques sent to branch:	
Debtors	100	Rent	600
Petty cash (1.1.94)	100	Wages	200
Cash sales	2,650	Salary	900
Credit sales	23,950	Stock (31.12.94) at I.P	13,000
Goods send to branch at I.P	20,000	Debtors (31.12.94)	2,000
		Petty cash (31.12.94)	
Goods returned to head office	300	(Including miscellaneous income Rs.25 not remitted)	125
Bad debts	300	Collection from debtors	
Allowances to customers	250		
Return inwards	500		

Prepare the Branch Trading and Profit and Loss account and Branch account for the year 1994.

11. A and B are partners in a firm. They share profits and losses in the ratio of 3:1. Their Balance sheet is as follows:

Liabilities	Rs.	Assets	Rs.
Capital:		Buildings	1,00,000
A	80,000	Plant	25,000
B	40,000	Stock	40,000
Reserve	40,000	Debtors	70,000
Creditors	60,000	Cash	5,000
Bills payable	20,000		
	2,40,000		2,40,000

C is admitted into partnership for $\frac{1}{5}^{th}$ share of the business on the following terms:

- (a) Building is revalued at Rs.1,20,000.
- (b) Plant is depreciated to 80%.
- (c) Provision for bad debts is made at 5%.
- (d) Stock is revalued at Rs.30,000.
- (c) C should introduce 50% of the adjusted capitals of both A and B. Open various accounts and the new Balance sheet after the admission of C.

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12. X, Y and Z sharing profits in the proportion of 3:2:1 decided to dissolve partnership on 31.12.90. Their Balance sheet on that date was as under:

Liabilities	Rs.	Assets	Rs.
Capital:		Leasehold premises	12,500
X	30,000	Goodwill	20,000
Y	10,000	Machinery	30,520
Z	10,000	Stock	7,550
Bank Loan	11,500	Investments	6,330
Leasehold redemption fund	6,000	Joint life policy	12,000
Life policy fund	12,000	Sundry debtors	5,800
Sundry creditors	16,200	(-) Reserve	500
		Cash at bank	1,500
	95,700		95,700

The Joint life policy is surrendered for Rs.10,000. The investments are taken over by Y for Rs.8,000. X agreed to discharge the bank loan. The remaining assets are sold for Rs.86,700. The expenses of realisation amount to Rs.850. Show the necessary ledger accounts including the accounts of the partners.

13. Explain the difference between Ind. AS and IFRS.
