

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 - NOVEMBER 2025
SEMESTER - II

23UBBCT2003 - Advanced Financial Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. Explain the Stock and Debtors System of accounting for dependent branches.
2. Explain the procedure for preparing a Departmental Trading and Profit & Loss Account.
3. Explain the accounting procedure for dissolution of a firm.
4. The following information relates to Karur branch,
Stock on 01.01.2024 Rs.11,200, Branch debtors on 01.01.2024 Rs.6,300, Goods sent to Branch Rs.51,000, Cash sent to Branch for Rent Rs.1,500, Cash sent to Branch for Salaries Rs.3,000, Cash sent to Branch for Petty Cash Rs.500, Sales at branch cash Rs.25,000, Sales at branch Credit Rs.39,000, Cash received form Debtors Rs.41,200, Stock on 31.12.2024 Rs.13,600. Prepare Branch account for the year 2024.
5. The proprietor of a large retail store wished to ascertain approximately the net profit of the X, Y and Z departments separately for the three months ended 31st March 2024. It is found impracticable actually to take stock on that date, but an adequate system of departmental accounting is in use, and the normal rates of gross profit for the three departments concerned are respectively 40%, 30% and 20% on turnover before charging the direct expenses. The indirect expenses are charged in proportion to departmental turnover.

The following are the figures for the departments:

Particulars	X (Rs.)	Y (Rs.)	Z (Rs.)
Opening Stock (01.01.2024)	10,000	14,000	7,000
Purchases	12,000	13,500	9,700
Sales	20,000	18,000	16,000
Direct	2,000	1,500	700

The total indirect expenses for the period (including those relating to other departments) were Rs.5,400 on the total turnover of Rs.1,08,000. Prepare a statement showing the approximate net profit, making a stock reverse of 10% for each department on the estimated value on 31-03-2024.

6. In a Partnership, partners are charged interest on drawings at 12% p.a. During the year ended 31st December 2024, a partner drew as follows: 1st February Rs.15,000, 1st May Rs.55,000, 30th June Rs.15,000, 31st October Rs.65,000, 31st December Rs.20,000. What is the interest chargeable to the partner?
7. A and B were partners sharing profit and losses in their ratio of 3:2. Their Balance Sheet is as under:

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Capital A/cs		Plant & Machinery	30,000
A	30,000	Stocks	24,000
B	25,000	Debtors	22,500
Reserve A/c	25,000	Bank	9,000
Sundry Creditors	11,250	Cash in hand	750
	86,250		86,250

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B retires and the following revaluations were made:

- (i) The goodwill of the firm is valued at Rs.37,500
- (ii) Depreciate Plant & Machinery by $7\frac{1}{2}\%$ and Stock by 15%
- (iii) A bad debts provision is raised against debtors at 5% and a discount reserve against creditors at 2%. Prepare profits and loss adjustment A/c, Partner's Capital accounts and new balance sheet as on 1st January 2017.

8. V, G and P 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
V's Capital	10,000		
G's Capital	10,000		
P'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. Close the books of the firm.

Section C

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

9. The Chennai Commercial Company invoiced goods to its Coimbatore Branch at cost. The Head office paid all the branch expenses from its bank except petty cash expenses which were paid by the branch.

From the following details relating to the Branch prepare,

- (1) Branch Stock A/c,
- (2) Branch Debtors A/c,
- (3) Branch Expenses A/c,
- (4) Branch P & L A/c

	Rs.
Stock (Opening)	21,000
Debtors (Opening)	37,800
Petty Cash (Opening)	600
Goods sent from H.O.	78,000
Goods returned to H.O.	3,000
Cash Sales	52,500
Advertisement	2,400
Cash received from debtors	85,500
Stock (Closing)	19,500
Allowances to customers	600
Discount to customers	4,200
Bad debts	1,800
Goods returned by customer to branch	1,500
Salaries & Wages	18,600
Rent & Rates	3,600
Debtors (Closing)	29,400
Petty Cash (Closing)	300
Credit Sales	85,200

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10. From the following information, prepare departmental trading and profit & loss A/c in a columnar form of the three departments of Elite Clean Hub.

Particulars	Washing (Rs.)	Polishing (Rs.)	Ironing (Rs.)
Stock on (01.01.2024)	4,00,000	3,40,000	9,40,000
Stock on (31.12.2024)	3,30,000	4,38,000	8,17,000
Purchases	19,59,000	6,97,000	13,73,000
Sales	40,00,000	20,00,000	40,00,000
Wages	7,28,000	3,00,000	2,46,000

Goods were referred from one department to another at cost price as follows:

- (i) Polishing to Washing Rs.2,400 and to Ironing Rs.40,200.
- (ii) Ironing to Washing Rs.25,800 and to Polishing Rs.18,000.
- (iii) Washing to Polishing Rs.3,000 and to Ironing Rs.24,000.

Apportion equally:

Stationery Rs.5,418, Postage Rs.4,050, General Expenses Rs.2,37,618, Insurance Rs.10,080, Depreciation Rs.32,598, Rent & Taxes Rs.1,80,000 is to be split in proportion to space occupied, i.e., Washing 4, Polishing 2, Ironing 2 and other space 2.

11. S and K are partners sharing profits in the ratio of 3:1. Their Balance Sheet stood as under on 31.12.2024.

Liabilities	Rs.	Assets	Rs.
Capital:		Stock	10,000
S - 30,000		Prepaid Insurance	1,000
K - 20,000	50,000	Debtors 8,000	
Salary due	5,000	- Provision 500	7,500
Creditors	40,000	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 profit.

Following revaluations are made:

- (i) Stock be depreciated by 5%
- (ii) Furniture be depreciated by 10%
- (iii) Building be revalued at Rs.45,000
- (iv) The provision for doubtful debts should be increased to Rs.1,000.

Pass Journal entries, prepare Revaluation A/c and Balance Sheet after admission.

12. K, P and R were partners sharing profits equally. R died on 31.03.205. The Balance Sheet of the firm as at 31.12.2024 was as under:

Liabilities	Rs.	Assets	Rs.
Capital A/c's:		Goodwill	40,500
K	90,000	Buildings	90,000
P	75,000	Investment (at cost)	24,000
R	63,000	Debtors 54,000	
Reserve Fund	18,000	- Provision 5,400	48,600
Investment fluctuations Fund	6,300	Stock	84,000
Creditors	46,800	Cash at Bank	12,000
	2,99,100		2,99,100

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On the date of death it was found that:

- (i) Debtors were all good
- (ii) Investments were valued at Rs.22,500 and were taken over by K at that value.
- (iii) Stocks were valued at Rs.75,000.
- (iv) Building was valued at Rs.1,71,000.
- (v) A liability for workmen's compensation for Rs.9,000 was to be provided for.
- (vi) Goodwill was to be valued at one year's purchase of average profits of last 5 years.
- (vii) R's Share of profit upto the date of death was to be calculated on the basis of last year's profit.

The profit of the last 5 years were as under:

2020-Rs.34,500, 2021-Rs.37,500, 2022-Rs.24,000, 2023-Rs.30,000, 2024-Rs.36,000.

Prepare Revaluation A/c, Capital A/c's and balance sheet of the remaining partners.

13. Tim and Tina were equal partners in a manufacturing business. On 30.06.2024 they dissolved the firm on which date their balance sheet was as follows:

Liabilities		Rs.	Assets		Rs.
Creditors	28,000		Cash at Bank		2,500
- Provision for Discount	1,000	27,000	Debtors	42,000	
Reserve for Contingencies		5,000	- Provision	2,000	40,000
Mrs. Tina's Loan		10,000	Stock		32,000
Reserve Fund		15,000	Furniture		3,500
Tim's Loan		8,000	Plant and Machinery		25,000
Tim's Capital A/c		21,000	Prepaid Expenses		1,000
Tina's Capital A/c		18,000			
		1,04,000			1,04,000

Stock, Debtors, Plant and Machinery and Goodwill realised Rs.27,000, Rs.38,000, Rs.20,000 and Rs.5,000 respectively.

Furniture did not realise any value.

An amount of Rs.6,000 was paid on account of contingent liabilities. The expenses of realisation were Rs.1,000.

The firm had previously made some investment in shares of a joint stock company and had written off this investment on finding it useless. The investment now realised Rs.1,500. Show the Realisation A/c and Partners Capital A/c.
