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Reg. No. : ....

Name : ....

Third Semester B.Com. Degree Examination, March 2021

First Degree Programme Under CBCSS

Core Course : CO 1343/CC 1344 (2015-17 Admission)/CO 1342/CX 1342/TT 1342/HM 1342/CC 1343 (2018 Admission)

ADVANCED FINANCIAL ACCOUNTING

(Common for Commerce, Commerce and Tax Procedure and Practice/Commerce and Hotel Management and Catering/Commerce and Computer Application, Commerce and Tourism and Travel Management)

Time : 3 Hours Max. Marks : 80

PART – A

Answer **all** questions in one or two sentences each. Each question carries **1** mark.

1. What do you mean by dissolution of partnership?

2. What do you understand by unrecorded assets?

3. What is fluctuating capital?

4. Who is an active partner?

5. What do you understand by account sales?

6. Who is a consignor?

7. What do you understand by fixed capital accounts?

P.T.O.

8. What are inter-departmental transfers?

9. What do you mean by remittance-in-transit?

10. What do you understand by branches?

(10 × 1 = 10 Mark

PART – B

Answer **any eight** questions in not exceeding one paragraph each. Each questio carries **2** marks.

11. What are the advantages of registration of a partnership firm?

12. What are the different kinds of partners?

13. What is the need for consignment?

14. What is *proforma* invoice?

15. Briefly explain abnormal loss in consignment.

16. What do you understand by *del-credere* Commission? How it is calculated?

17. What do you mean by "Debtors" method?

18. What are the main types of branches from accounting point of view?

19. Give two examples of businesses in which joint venture is generally used.

20. On 20th January 2020, Martin and Co., Kochi consigned 200 computer tables to Sea Land Furniture Mart, Kozhikode. On 30th June 2020, Sea Land Furniture Mart forwarded an Account Sales, with a bank draft for the balance, showing the following transactions:

    (a) 150 computer tables sold @ Rs. 1,300 and 30 @ Rs. 1,400 each.

    (b) Unloading charges Rs. 700.

(c) Storage and insurance Rs. 600.

(d) Commission @ 12%.

(e) Advance given to Martin and Co. Rs. 1,00,000.

You are required to prepare Account Sales.

21. 100 tonnes of coal are consigned @ Rs. 150 per tonne, non-recurring expenses being Rs. 4,000. Loss due to loading and unloading is 5 tonnes. The quantity sold by the consignee is 85 tonnes. Calculate the value of unsold stock.

22. Calculate the value of abnormal loss from the following details.

(a) 10,000 kg. of oil was consigned at Rs. 32 per kg.

(b) Freight Rs. 8,000, packing Rs. 10,000 and insurance Rs. 2,000 were paid by the consignor.

(c) Consignee's expenses were: advertisement Rs. 2,800, godown rent Rs. 800.

(d) 1,500 kg of oil was lost in transit and the insurance company paid Rs. 40,000 as compensation.

(e) 6,000 kg of oil was sold at Rs. 38 per kg.

(f) Stock with consignee was 2,000 kg; there being a normal loss of 500 kg.

(8 × 2 = 16 Marks)

PART – C

Answer **any six** questions in not exceeding 120 words. Each question carries **4** marks.

23. Enumerate the contents of Partnership Deed.

24. What are the conditions for compulsory dissolution of a partnership firm?

25. Distinguish between joint venture and consignment.

26. What are the advantages of departmental accounts?

27. How would you allocate the following indirect expenses among different departments of departmental organization?

(a) Sales Manager's salary

(b) Bad debts

(c) Rent, rates and taxes

(d) Lighting.

28. The partnership firm of X, Y and Z was dissolved. Their balance sheet as at 31st December, 2019 was as under:

	Rs.		Rs.
X's capital	18,000	Plant and machinery	20,000
Y's capital	15,000	Stock	17,000
Z's capital	10,000	Debtors	15,000
Sundry creditors	8,000	Cash at bank	2,000
Outstanding expenses	1,000		
Reserve	2,000		
	54,000		54,000

X, Y and Z were sharing profits and losses as 5:3:2. Plant is sold for Rs. 15,000 and stock for Rs. 18,000. In addition, stock worth Rs. 2,000 was taken over by X. Debtors realized Rs. 11,000. Creditors were paid Rs. 7,000 in full settlement. Rs. 1,000 was spent for realization expenses.

Prepare realisation Account.

29. Mr. Vasanth of Thiruvananthapuram consigned goods worth Rs. 10,000 to Mr. Varrior of Kochi, on 2nd January 2020. At the time of despatching goods he has incured Rs. 1,000 towards expenses. After receiving goods Mr. Varrior sold all the goods for Rs. 15,000 and remitted the proceeds to Mr. Vasanth after deducting expenses incurred by him and his commission amounting to Rs. 2,000. Pass the necessary entries in the books of Mr. Vasanth.

30. Salem Garments Ltd. opened a branch at Kozhikode on 1st April, 2019. Prepare Kozhikode Branch Account for the year ended 31st March 2020, from the following information.

	Rs.
Goods sent to Kozhikode Branch	3,25,000
Cash sent to branch for	
Salaries	35,000
Rent	32,000
Sundry expenses	10,000
Cash remitted by the branch	4,32,000
Closing stock at branch	60,500
Petty cash in branch (31.3.2020)	1,400

31. Department R sells goods to Department S at a profit of 25% on cost and Department T at 10% profit on cost. Department S sells goods to R and T at a profit of 15% and 20% profit on sales respectively. Department T charges 20% and 25% profit on cost to Department R and S respectively.

Department managers are entitled to 10% commission on net profit subject to unrealized profit on departmental sales being eliminated. Departmental profits after charging manager's commission, but before adjustment of unrealized profit, are as under :

	Rs.
Department R	54,000
Department S	40,500
Department T	27,000

Stock lying at different departments at the end of the year are as under:

	Department R (Rs.)	Department S (Rs.)	Department T (Rs.)
Transfer from department R	–	22,500	16,500
Transfer from department S	21,000	–	18,000
Transfer from department T	9,000	7,500	–

Find out the correct departmental profits after charging manager's commission.

(6 × 4 = 24 Marks)

PART – D

Answer **any two** questions in not exceeding **four** pages. Each question carries **15** marks.

32. What is piecemeal distribution? Discuss the two methods of piecemeal distribution.

33. Neptune, Jupiter, Venus and Pluto had been carrying on business in partnership, sharing profits and losses in the ratio of 3: 2: 1: 1. They decide to dissolve the partnership on the basis of the following Balance Sheet as on April 30, 2020:

Liabilities		Rs.	Assets		Rs.
Capital accounts :			Premises		1,20,000
Neptune	1,00,000		Furniture		40,000
Jupiter	60,000	1,60,000	Stock		1,00,000
General reserve		56,000	Debtors		40,000
Capital reserve		14,000	Cash		8,000
Sundry creditors		20,000	Capital overdrawn :		
Mortgage loan		80,000	Venus	10,000	
			Pluto	12,000	22,000
		3,30,000			3,30,000

(a) Assets were realized as follows: debtors Rs. 24,000, stock Rs. 60,000; furniture Rs. 16,000; and premises Rs. 90,000.

(b) Expenses of dissolution amounted to Rs. 4,000.

(c) Further creditors of Rs. 12,000 had to be met.

(d) General reserve, unlike capital reserve, was built up by appropriation of profits.

Draw up Realization Account, Partners' Capital Accounts and Cash Account assuming that Venus became insolvent and nothing was realized from his private estate. Apply the principles laid down in *Gamer* vs. *Murray*.

34. Kay sent 500 articles to his agent Jay at an invoice price (cost to Kay) of Rs. 25 per article and paid freight and cartage Rs. 460. Jay sold 300 articles @ Rs. 30 per article and sent an account sales deducting Rs. 200 for storage charges and Rs. 300 for selling expenses. He charged 10% commission on the gross sale proceeds and remitted the amount due to Kay. Jay also informed Kay that 50 articles had been damaged in transit and they fetched only total 70% of their cost. Prepare necessary ledger accounts in Kay's books of accounts showing the profit earned by the consignor.

35. X, Y and Z enter into a joint venture to share profits in the ratio of 3:2:1 respectively. X, Y and Z contributed Rs. 3,000, Rs. 4,000 and 5,000 respectively, which amounts were deposited in a Joint Bank Account. They purchased goods worth Rs. 10,000 from N, and made him the payment by cheque. They incurred Rs. 250 as expenses on the goods purchased. A part of the goods was sold for Rs. 9,000 and the amount was received in cash. The remaining goods were sold to P on credit for Rs, 6,000, who accepted a bill, which was discounted for Rs. 5,900.

X was allowed commission @ 5% on sales for his extra services.

Prepare Joint Venture Account, Joint Bank Account and Personal Accounts.

(2 × 15 = 30 Marks)