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Second Semester B.Com. Degree Examination, September 2020  
(CBCS) (Fresh + Repeaters) (2014-15 and Onwards)  
COMMERCE

Paper – 2.3 : Advanced Financial Accounting

Time : 3 Hours

Max. Marks : 70

*Instruction : Answer should be written completely in English or in Kannada.*

SECTION – A

Answer any 5 sub-questions. Each sub-question carries 2 marks. (5×2=10)

1. a) When does average clause is applicable ?  
b) What is del-credere commission ?  
c) Mention any two differences between a joint venture and a partnership.  
d) What do you mean by loaded price ?  
e) What are abnormal line of goods ?  
f) What are departmental accounts.  
g) Goods are involved at a profit at 20% on sales. The cost price of goods sent is Rs. 1,50,000. Calculate the load to be included to the cost price of good sent.

SECTION – B

Answer any three questions. Each question carries 6 marks. (3×6=18)

2. A fire occurred in the premises of Bangalore Sports House on 30-9-2018. From the following particulars ascertain the claim to be lodged. The last accounts of the company were prepared on 31-12-2017.  
Stock on 31-12-2017 Rs. 1,20,000  
Sundry debtors on 31-12-2017 Rs. 3,20,000  
Sundry debtors on 30-9-2018 Rs. 2,40,000  
Cash received from debtors Rs. 12,00,000  
Purchases from 1-1-2018 to 30-9-2018 Rs. 10,00,000  
Rate of gross profit on sales 25%.



3. Ravi of Bangalore consigned 1000 kgs of oil at Rs. 60 per kg to Srikanth of Mysore. He incurred Rs. 10,000 for carriage and freight. Srikanth incurred Rs. 2,000 as unloading charges, Rs. 4,000 as godown rent and Rs. 3,000 as selling expenses. Normal loss in weight is 80 kgs. (leakage) in transit. Srikanth sold 680 kgs. of oil at Rs. 100 per kg. Find out the value of unsold stock.
4. A and B entered into Joint Venture having profit sharing ratio of 2 : 1. They agreed to write books of accounts under memorandum joint venture method. A and B purchased goods for Rs. 6,60,000 and Rs. 4,60,000 respectively and sold the same for Rs. 7,60,000 and Rs. 5,40,000 respectively. Selling expenses incurred by them were Rs. 25,000 and Rs. 15,000 respectively. Final settlement is done by cheque. Show A's A/c and Memorandum Joint Venture A/c in the books of B.
5. A Ltd. with its H.O. in Bombay has a branch at Mysore. You are given the following particulars relating to Mysore branch for the year ended 31-3-2019.

	<b>Rs.</b>
Stock on 1-4-2018	50,000
Petty cash at branch 1-4-2018	200
Goods sent to branch	66,000
Goods returned by the branch	5,600
Cash sales at branch	1,20,000
Cash sent to branch for expenses :	
Salaries	18,000
Rent	4,000
Petty cash	<u>3,000</u> 25,000
Stock at branch on 31-3-2019	54,000
Petty cash at branch on 31-3-2019	600

Prepare branch account in the books of H.O.



6. A firm has two departments A and B. The following information related to the trading period ending 31-3-2018.

	A Rs.	B Rs.	Total Rs.
Opening stock	6,000	9,000	15,000
Purchases	40,000	50,000	90,000
Sales	80,000	1,00,000	1,80,000
Carriage inwards	—	—	4,000
Power	—	—	6,000
Wages	—	—	12,000
Closing stock	6,000	14,000	20,000

Wages are to be allocated in the ratio 5 : 4 and power in the ratio 1:2 to the department A and B respectively. Prepare departmental trading account in the columnar form.

SECTION – C



Answer any three of the following. Each question carries 14 marks. (14×3=42)

7. Determine the amount of claim to be lodged by M/s Arun Company to Insurance Company from the following details :

The company had taken a fire insurance policy for Rs. 1,20,000 covering its stock and the policy was subjected to average clause.

	1-10-2017 to 30-9-2018 Rs.	1-10-2018 to 15-3-2019 Rs.
Sales	12,00,000	6,96,000
Purchases	7,90,000	4,00,000
Wages and salaries	1,39,000	69,000
Sales return	56,000	16,000
Purchase return	27,000	9,000
Carriage inward	27,000	9,000
Date of fire 15-3-2019.		
Stock on 1-10-2017	1,28,700	
Stock on 30-9-2018	1,89,000	
Stock salvaged	19,000	

Stocks have been valued at 10% less than cost.



8. A and B undertook a joint venture for the construction of a college building. A joint bank account was opened into which A and B deposited Rs. 3,00,000 and Rs. 1,00,000 respectively. Profit sharing ratio is 3 : 2.

**Other details were :**

- Salaries Rs. 33,000, wages Rs. 1,90,000, building material purchased Rs. 4,10,000, material supplied by A Rs. 36,000, material supplied by B Rs. 35,000, architect fee Rs. 28,000, carriage inward Rs. 44,000, machinery purchased Rs. 90,000 on the completion of construction. A took over unused materials of Rs. 40,000. B was paid a remuneration of Rs. 30,000 for his services. Machinery was sold for Rs. 70,000. Contract price was Rs. 10,60,000 which was duly received. Prepare necessary Ledger A/c.
9. Ragava Batteries of Bangalore consigned 1600 batteries costing Rs. 5,000 each to Manju Electricals of Mysore. The consignor paid Rs. 1,05,000 as freight charges. During transit it was found that 10 batteries were damaged. Consignee received the balance of batteries and incurred Rs. 14,900 as unloading charges. He sold 800 batteries at Rs. 6,500 per unit for cash and 450 batteries on credit at Rs. 7,000 per unit. He spent Rs. 40,000 as godown rent Rs. 6,600 as advertisement and Rs. 30,000 as salesman salary, consignee is entitled to 5% ordinary commission on sales and 2% del-credere commission on credit sales. Consignee does final settlement by cheque payment.
- Prepare Consignment Account, Consignee A/c and Abnormal Loss A/c.

10. Belagavi H.O. of a company invoices goods to its Hubli branch at cost plus 25% cash collections of the day is to be remitted to H.O. through a bank a/c and all expenses of the branch are directly paid by H.O.

From the following show the Hubli Branch Account in the books of H.O.

Stock on 1-4-2018 (Invoice Price)	12,500
Debtors on 1-1-2018	12,000
Good sent to branch (IP)	40,000
Cash sales	16,000

Cash from debtors		29,500
Goods returned by branch (IP)		2,400
Payments made by H.O.		
For rent	3,000	
For Salary	11,000	
For sundry expenses	<u>510</u>	14,510
Stock on 31-12-2018 (Invoice Price)		15,000
Debtor on 31-12-2018		22,500

11. From the following balances from Prakash Stores prepare Departmental Trading P & L A/c in the columnar form for the year ended 31-3-2019.

Particulars	Dr.	Cr.
	Rs.	Rs.
Stock 1-4-2018 :		
Dept. I	2,40,000	—
Dept. II	1,80,000	—
Purchases and sales :		
Dept. I	3,20,000	6,00,000
Dept. II	2,80,000	5,60,000
Carriage inwards :		
Dept. I	8,000	—
Dept. II	4,000	—
Machinery	72,000	—
Salaries	1,20,000	—
Rent	24,000	—
Repairs to machinery	60,000	—
Debtors and creditors	90,000	1,20,000

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Capital	–	3,20,000
Cash in hand	24,000	–
Bills receivable and payable	30,000	12,000
Drawings	40,000	–
Building	1,20,000	–
	<b>16,12,000</b>	<b>16,12,000</b>

**Adjustment :**

- Stock on 31-3-2019 : Dept. I Rs. 2,80,000, Dept. II Rs. 2,40,000.
- Salaries to be divided in the ratio of 7 : 3.
- Value of machinery Dept. I Rs. 40,000, Dept. II Rs. 32,000.
- Depreciate machinery at 10% and building at 5% p.a.
- Area occupied in the building 3 : 2 by Dep. I and Dept. II respectively.