



**II Semester B.Com. Examination, September/October 2022**

**(NEP) (2021 – 22 and Onwards)**

**COMMERCE**

**DSC – 2.1 : Advanced Financial Accounting**

Time : 2½ Hours

Max. Marks : 60

**Instruction : Answers should be written either in English or Kannada.**

**SECTION – A**

1. Answer any 6 of the following. Each question carries 2 marks. (6×2=12)
- Give the meaning of average clause.
  - How do you allocate the following expenses in departmental accounting ?  
Insurance premium on stocks  
Carriage outwards.
  - How do you treat salvaged goods in fire insurance claims ?
  - From the following information find out insurance claim :  
Value of stock on the date of fire ₹ 4,00,000  
Policy amount ₹ 3,00,000  
Goods saved from fire ₹ 1,00,000.
  - Give the meaning of departmental undertaking.
  - Mention any two merits of single entry system.
  - How do you treat inter-departmental transfers ?
  - Find out sales when cost of goods sold ₹ 80,000 gross profit ratio 20% on sales.



## SECTION – B

Answer any three of the following. Each question carries 4 marks.

(3×4=12)

2. Fire occurred in the premises of an enterprise on 30-09-2021. Stock of the value of ₹ 1,00,000 was salvaged and the books of accounts were saved. The following information is given.

Purchases from 1-4-2021 to 30-9-2021 ₹ 2,40,000

Sales from 1-4-2021 to 30-9-2021 ₹ 3,60,000

Stock as on 31-3-2021 – ₹ 3,40,000 Gross profit on sales 38%

Calculate the amount of insurance claim based on the rate of gross profit on sales.

3. Prepare an Royalty Analysis Table from the following details :

Minimum rent – ₹ 60,000 p.a.

Royalty payable – 0.75 paise per ton of output shortworkings can be received in the next two years out of excess royalty. Output for the first 4 years – 20,000 tons, 24,000 tons, 56,000 tons and 50,000 tons respectively.

4. From the following amounts, calculate average due date :

Amount	Due date
4,000	3 <sup>rd</sup> April 2021
3,200	2 <sup>nd</sup> July 2021
4,000	11 <sup>th</sup> September 2021



5. SCC sales (international) has two Departments A and B. From the following information, prepare the departmental Profit and Loss A/c and calculate the Net Profit earned by each department.

Particulars	Total	Dept. A	Dept. B
Gross profit (₹)	16,90,000	10,50,000	6,40,000
Salaries (₹)	2,00,000	?	?
Rent and rates (₹)	1,02,000	?	?
Depreciation on assets (₹)	1,20,000	?	?
Number of employees	100	60	40
Floor area (sq. ft.)	1200	800	400
Value of assets (₹)	6,00,000	4,50,000	1,50,000

6. From the following information calculate opening stock.

Purchases during the year ₹ 60,000

Sales during the year ₹ 1,00,000

Closing stock ₹ 20,000

Manufacturing expenses ₹ 7,000

Carriage inward ₹ 3,000

Rate of gross profit 25% on cost.



## SECTION – C

Answer any 3 of the following. Each question carries 12 marks.

(3×12=36)

7. Mr. Anand does not maintain proper books of accounts. From the following information prepare Trading and Profit and Loss A/c for the year ended 31-3-2022 and the Balance Sheet as on that date.

**Assets and Liabilities**

	1-4-2021	31-3-2022
	(₹)	(₹)
Debtors	34,000	48,000
Stock	18,000	24,000
Furniture	10,000	10,000
Creditors	12,000	9,000
Cash in hand	8,000	4,000

Other factors are as follows :

	₹
Cash collected from debtors	1,20,000
Cash paid to creditors	84,000
Salaries	20,000
Rent	6,000
Office expenses	4,000
Drawings	8,000
Cash sales	6,000
Cash purchase	12,000
Discount received	2,000
Discount allowed	4,000
Return inward	2,000
Bad debts	1,000





8. The premises of Kusuma Traders were destroyed by fire on 30-4-2022.

The stock was fully insured. The concern has made accounts up to 31-12-2021.

The following information is available.

	₹
Stock on 1-1-2021	1,52,720
Stock on 31-12-2021	1,16,140
Purchases from 1-1-2022 to date of fire	3,68,270
Purchases up to 31-12-2021	4,72,580
Sales up to 31-12-2021	5,40,000
Sales from 1-1-2022 to date of fire	5,11,700

Further information is also available :

- 1) In March 2022 goods costing ₹ 15,000 were given away for advertising purpose no entry being made in books.
- 2) During 2022 a clerk had misappropriated cash sales ₹ 6,000.
- 3) The rate of gross profit is constant over the year.
- 4) Value of stock saved was ₹ 18,000 and the expenses incurred to extinguish fire is ₹ 1,200.

From the above information prepare a statement showing the claim to be lodged for loss of stock.



9. Vasu Co., obtained a mine on lease for a period of 30 years beginning from 1<sup>st</sup> January 2019 on the following terms.

- a) To pay minimum rent of ₹ 48,000 per year.
- b) Each year's excess of minimum rent over the actual royalties can be recovered during the subsequent 2 years.
- c) Royalty was to be calculated at ₹ 50 per tonne.

Production during four years from 2019 to 2022 was as follows :

Year	Production in tonnes
2019	560
2020	720
2021	1,200
2022	2,000

Open the following accounts in the books of the company :

- i) Minimum Rent A/c
- ii) Royalties A/c
- iii) Landlord's A/c.

10. From the following particulars, prepare the Departmental Trading and Profit and Loss Account for the year ending 31-12-2021.

	Dept. A	Dept. B	Total
Opening stock	56,000	48,000	1,04,000
Purchases	3,00,400	2,79,200	5,79,600
Sales	4,00,000	3,20,000	7,20,000
Return outward	4,400	3,200	7,600
Salaries	36,000	34,000	70,000
General salaries			46,400

Rent and rates	24,000
Advertising	32,400
Insurance	4,000
Carriage outwards	21,600
Discount allowed	7,200
Discount earned	5,720
Accountancy charges	2,000
Carriage inwards	11,440

**Additional information :**

- 1) Goods transferred from Dept. A to Dept B. worth ₹ 20,000 were not recorded.
  - 2) General salaries are to be allocated equally.
  - 3) The area occupied is in the ratio of 3:2.
  - 4) Insurance premium and accountancy charges can not be allocated conveniently to any departments.
  - 5) Closing stock of Dept. A was ₹ 64,000 and that of Dept. B ₹ 68,000.
11. Ms. Niharika a trader allows his customers credit for one week only beyond which he charges interest at 12% p.a. Kusuma a customer buys goods as follows :

<b>Date of sale/purchase</b>	<b>Amount (₹)</b>
January 2, 2020	12,000
January 28, 2020	5,500
February 17, 2020	14,000
March 3, 2020	9,400

Kusuma settles her account on 31-3-2020. Calculate the amount of interest payable by Kusuma using average due date method.