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II Semester B.Com. (Reg)/A&F/LSCM/TTM/IAS/DA.

(NEP) Degree Examination, October - 2022

COMMERCE

Advance Financial Accounting

(CBCS Semester Scheme 2021-22 Regular)

Paper : 2.1



Time : 2½ Hours

Maximum Marks : 60

Instructions to Candidates:

Answers should be written completely in English only.

SECTION - A

Answer any **Five** of the following questions. Each question carries **Two** marks. (5×2=10)

1. a. What do you mean by Invoice price?
- b. What do you mean by inter - branch transactions?
- c. What is under insurance?
- d. What is average clause? Why is it included in fire claims?
- e. What is average clause in fire policy?
- f. State any two advantages of convention.
- g. State any two objectives of hire purchase system.

SECTION - B

Answer any **Four** of the following questions. Each question carries **Five** marks. (4×5=20)

2. From the following, prepare departmental trading account as on 31st March 2022

Particulars	Dept 'A'	Dept 'B'	Total
Stock on 1 st April 2021	5,000	7,000	
Purchases	60,000	50,000	
Sales	80,000	75,000	
Wages	-	-	31,000
Carriage inwards	-	-	15,500
Power	-	-	7,750

Apportion the expenses in proportion to turnover of each department.



3. From the following particulars prepare branch account in the books of Head office.

Particulars	Amt
Op. stock at branch	30,000
Goods sent to branch	45,000
Cash sales	60,000
Expenses paid by HO :	
Salaries	1,000
Other expenses	2,000
Closing stock value at of	10,000

4. Fire occurred in the premises of Ragu on October 31st 2021, All stock were destroyed except to the extent of Rs. 2800, from the following details ascertain the claim to be lodged by Ragu.

Final account of Ragu were prepared on 31.12.2020.

Sundry creditors on 31.12.2020 were Rs. 25,000.

Sundry creditors on 31.10.2021 were Rs. 20,000

Stock on 31.12.2020 was Rs. 15,000

Sales from 1.1.2021 to 31.10.2021 amount Rs. 1,34,000

Payments to creditors Rs. 1,30,000

Normal rate of gross profit on sale was 20%.

5. From the following information calculate opening stock

	Rs.
Purchases during the year	55,000
Sales during the year	1,25,000
Closing stock	18,000
Manufacturing expenses	12,000
Carriage inwards	2,000
Rate of gross profit was 25% on cost.	

6. Give the meaning of down payment. State any three difference between Hire purchase system and installment system.



SECTION - C

Answer any **Two** questions. Each question carries **12** marks.

(2×12=24)

7. Fire had broken out in the premises of Rao Ltd Co. on 15th July 2022. The following figures were obtained from the records.

Particulars	Rs.
Stock on 1 st January 2021	1,12,500
Stock on 31 st December 2021	2,40,000
Purchase during the year 2021	12,75,000
Sales during the year 2021	15,00,000
Purchase upto the date of fire 01.01.22 to 15.07.22	6,80,000
Sales upto the date of fire 01.01.22 to 15.07.22	9,00,000

The stock salvaged was Rs. 60,000. There was a practice in the concern to value the stock at cost less 10%. But all of a sudden they changed the practice and valued the stock on 31st December 2021 at cost plus 20%. The amount of the policy was Rs. 1,20,000. Calculate the value of stock destroyed by fire and amount of actual claim.

8. Murthappa purchased a plant costing Rs. 1,60,000 on 01.04.2020 from Kundan Electronics Ltd under hire purchase system, the terms being Rs. 40,000 down payment and balance in three equal annual installments together with interest at 20% p.a. on outstanding cash price. Depreciation is to be charged at 15% p.a. under straight line method.

Prepare the plant A/c vendor A/c and interest Accounts in the books of Murthappa under assets accrual method.

9. From the following particulars prepare trading and profit and loss account in the books of a trader and also prepare balance sheet.

Particulars	Dept 'A'	Dept 'B'	Total
Stock on 1.4.2021	17,400	14,700	-
Purchases	35,000	30,000	-
Sales	60,000	40,000	-
Wages	8,200	2,700	-
Rent taxes and insurance	-	-	9,390
Sundry expenses	-	-	3,600
Salaries	-	-	3,000
Lighting and heating	-	-	2,100
Discount allowed	-	-	2,220



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Discount received	-	-	650
Advertisement	-	-	3,680
Carriage inwards	-	-	2,340
Furniture	-	-	3,000
Plant and machinery	-	-	21,000
Sundry debtors	-	-	6,060
Sundry creditors	-	-	30,650
Capital	-	-	47,660
Drawings	-	-	4,500
Cash	-	-	10,070

Additional information :

- Internal transfer of goods from Dept 'A' to Dept 'B' at a cost price of Rs. 420.
- Rent, taxes and insurance, sundry expenses, lighting and heating, salaries and carriage inwards to be distributed in the ratio of 2/3 and 1/3 in A and B.
- Advertising to be apportioned equally.
- Discount allowed and received to be apportioned as per sales and purchases ignoring transfers.
- Services rendered by B dept to A Dept included in the wages of B dept Rs. 500.
- Stock on 31.3.2022 were department 'A' Rs. 16,740, department B Rs. 12,050,

SECTION - D

Answer any **one** of the following question, carries six marks.

(1×6=6)

- State under which basis will you distribute the following expenses in departmental accounting.
 - Rent paid
 - Carriage in words
 - Lighting.
 - Depreciation on furniture.
 - Canteen expenses.
 - Salesman salary.
- Write any six contents of hire purchase agreement with imaginary figures.