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DCBC211

Reg. No. | | | | | | | | |

II Semester B.Com. (Regular) /A&F/L.S.C.M./B.D.A./T.T.M./Fintech

Degree Examination, June/July - 2026

COMMERCE

Advanced Financial Accounting

(SEP Scheme F&R)

Time : 3 Hours **Maximum Marks : 80**

Instructions to Candidates:

Answer should be written in English only.

SECTION - A

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

1. a) Define 'Salvage' in the context of Fire Insurance Claim.

   b) What is meant by Abnormal stock in Fire Insurance Claim?

   c) What is meant by Sale of a partnership Firm to a Company?

   d) Write the methods of calculating purchase consideration.

   e) State the Basis of apportionment of the following expenses in Departmental Accounting?

      i. Carriage inward

      ii. Discount Allowed.

   f) Give the meaning of Minimum Rent in Royalty Accounts.

   g) What are irrecoverable short workings?

   h) What is Data Base Accounting?

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SECTION - B

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

2. A Fire Broke out in the Premises of ABC Ltd., on 20th of July 2024. From the available records you are required to prepare a Statement Showing Fire Insurance Claim for the loss of stock :

		Rs.
a)	Stock as on 01-04-2024	1,10,000
b)	Purchases from 01-04-2024 to 20-07-2024	4,25,000
c)	Carriage inward and wages	25,000
d)	Sales from 01-04-2024 to 20-07-2024	6,00,000

The stock as on 01-04-2024 was overvalued by 10%

The Gross Profit for the year 2024-2025 is estimated at 25% Stock salvaged from fire Rs. 50,000.

3. Calculate purchase consideration from the following details :

Discharge of purchase consideration

a) In 3,500 Equity shares of Rs.100 each at an agreed value of Rs.120 per share.

b) In 1,000 Preference shares of Rs. 100 each.

c) In Cash 10% equal to the Face Value of Equity Shares and Preference Shares.

4. From the following particulars pass incorporation/opening entries in the books of the Books of ABC Ltd., (Purchasing/Transferee company):

Purchase Consideration Rs.10,00,000, Value of Sundry Assets taken over Rs.12,00,000, Liabilities taken over Rs. 3,00,000, Settlement of purchase consideration 75% by Equity shares of Rs.10 each at face value and the balance in 6% debentures of Rs.100 each at face value.

5. Prepare Department Trading A/c in Columnar Form from the following particulars of M/s. Pradeep Stores.

Stock on 01-01-2024 : Department : A Rs. 12,000 and Department B Rs. 16,800

Purchases during the year : Department : A Rs. 1,44,000 and Department B Rs. 1,20,000

Sales during the year : Department : A Rs. 1,90,000 and Department B Rs.1,80,000

Closing Stock Department : A Rs. 40,500 and Department B Rs. 25,800.

Wages Rs. 74,000, Carriage inwards Rs. 37,000 and Power Rs. 18,500.

Apportion the expenses in the proportion to sales of each department

6. Prepare Royalty Analysis Table from the Following Details :

Annual Minimum Rent	Rs. 80,000
Royalty payable per unit of output	Rs.10
Right to Recoupment of Short workings	First 3 years only

Output in Units for the First Five years were :

Year	**Output in Units**
2021	7,000
2022	7,500
2023	9,000
2024	9,000
2025	9,500

7. What is Human Resource Accounting? Explain any Three features of Human Resource Accounting.

SECTION - C

Answer any Three questions. Each question carries 15 marks. **(3×15=45)**

8. A fire broke out on 01-10-2025. The business records were saved and the following information is available.

Particulars	Amount (Rs.)
Stock on 1-4-2024	44,300
Stock on 31-3-2025	41,500
Purchases for the year 2024-25	1,03,850
Sales for the year 2024-25	1,52,500
Purchases from 1-4-2025 to 1-10-2025	37,350
Sales from 1-4-2025 to 1-10-2025	59,000

Further Information :

a) The rate of Gross Profit is Constant over the year

b) Value of stock saved was Rs.15,000 and expenses incurred to extinguish fire is Rs.2,550.

c) The amount of Fire Insurance policy taken Rs. 25,000. The policy contains an Average clause.

d) Prepare a statement showing the amount of claim to be lodged against the insurance company for the loss of stock by fire.

9. A, B and C carrying on business in partnership sharing profits and losses in the ratio of 4:3:1 respectively. On 31-3-2025 they agreed to sell their business to a Limited company. Their position on that date was as follows.

Capital and Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Sundry creditors	40,000	Freehold property	90,000
Loan	20,000	Machinery	60,000
Capitals : A	1,00,000	Debtors	75,000
B	75,000		
C	65,000	Stock	65,000
		Cash	10,000
Total	**3,00,000**	**Total**	**3,00,000**

The company took over the following assets except cash :

Freehold property Rs. 1,30,000, Machinery Rs. 55,000, Debtors Rs. 70,000, Stock Rs. 60,000.

The company took over Creditors at Rs. 38,500

The company paid Rs. 1,68,000 in fully paid shares of Rs.10 each and the balance in cash. The expenses amounted to Rs. 2,500.

Prepare necessary Ledger Accounts in the books of the firm.

10. From the following trial balance of Mr. Ramesh, prepare Departmental Trading and profit and loss statement (vertical format) for the year ended 31.3.2025 and balance sheet as on that date.

Particulars	Debit (Rs.)	Credit (Rs.)
Stock as on 1.4.2024		
Department X	17,000	
Department Y	14,500	

Purchases		
Department X	70,000	
Department Y	60,000	
Sales		
Department X		1,20,000
Department Y		1,00,000
Wages		
Department X	8,500	
Department Y	3,000	
Carriage inwards	2,340	
Rent, rates, taxes and insurance	9,390	
Sundry expenses	3,600	
Salaries	3,000	
Lighting and heating (Office)	2,100	
Discount allowed	2,200	
Discount Received		650
Advertisement	3,680	
Furniture and fittings	3,000	
Plant and machinery	21,000	
Sundry debtors	6,060	
Sundry creditors		18,600
Ramesh's capital		1,14,710
Ramesh's drawings	4,500	
Cash in hand	190	
Cash at Bank	1,19,900	
Total	**3,53,960**	**3,53,960**

The following information is also provided :

1. Internal transfer of goods from Department X to Department Y 1,000.
2. The Expenses : Rent, rates and taxes, Sundry expenses, Lighting and heating, Salaries and carriage inwards to be apportioned in 2:1 ratio to Department X and Department Y
3. Advertising to be apportioned equally between Department X and Department Y
4. Discount allowed and discount received are apportioned on the basis of departmental sales and departmental purchases (excluding transfers).
5. Depreciation @ 10% on furniture and fittings and plant and machinery. This is to be charged $\frac{3}{4}$ to Department X and $\frac{1}{4}$ to Department Y.
6. Services rendered from Y Department to X Department included in wages Rs. 500
7. Stock as on 31.3.2025 Department X Rs. 16,740, Department Y Rs.12,050.

11. Mahesh took lease of an oil - well from Kamalesh oil Ltd., on 1-4-2020. The minimum rent was Rs.1,00,000 p.a. and royalty was Rs. 10 per ton crude oil raised. Each year's short working can be recovered out of the excess royalties earned in the next two years. The output during the first 5 years were :

Year	2020-21	2021-22	2022-23	2023-24	2024-25
Output (Tons)	8,000	8,500	12,100	14,000	15,000

Prepare :

a. Minimum rent Account

b. Royalty Account

c. Short workings Account and

d. Kamalesh oil Ltd., in the Books of Mahesh.

12. Write a Note on:

a) Big data Analysis.

b) Cloud Computing

c) Green Accounting.

SECTION - D

Answer the following question. This question carries 5 marks. **(1×5=5)**

13. Identify the Common Expenses of a Departmental Undertaking and list them.