



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMPUTER APPLICATIONS

SECOND SEMESTER – APRIL 2022

UCC 2501 – ADVANCED FINANCIAL ACCOUNTING

Date: 17-06-2022

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A

I. Answer ALL the Questions

| | | | |
|-----------|---|--------------------|-----|
| 1. | Define the following | (5 x 1 = 5) | |
| a) | Consignment | K1 | CO1 |
| b) | Depreciation | K1 | CO1 |
| c) | Partnership | K1 | CO1 |
| d) | Hire Purchase System | K1 | CO1 |
| e) | Reporting | K1 | CO1 |
| 2. | Fill in the blanks | (5 x 1 = 5) | |
| a) | Del credere commission is normally calculated on _____ sales. | K1 | CO1 |
| b) | _____ is charged by the manufacturer to his dealer. | K1 | CO1 |
| c) | A part of the stock which is still in the closing stock is known as _____. | K1 | CO1 |
| d) | When a partner dies it is treated as _____ retirement. | K1 | CO1 |
| e) | The Hire Purchase Price is always greater than the _____. | K1 | CO1 |
| 3. | Match the following | (5 x 1 = 5) | |
| a) | Current Account - Principal | K2 | CO1 |
| b) | Invoice Price - Capital accounts of co-venturers | K2 | CO1 |
| c) | Joint venture - Three Accounts | K2 | CO1 |
| d) | Branch - Fixed Capital Method | K2 | CO1 |
| e) | Consignor - Dependent & Independent | K2 | CO1 |
| 4. | TRUE or FALSE | (5 x 1 = 5) | |
| a) | When a new partner is admitted, the combined shares of the old partners are reduced. | K2 | CO1 |
| b) | Cash price is also known as retail price. | K2 | CO1 |
| c) | Business expenses are usually divided into six types. | K2 | CO1 |
| d) | Branch adjustment account need not be prepared when goods are sent to branch at cost price. | K2 | CO1 |
| e) | In Consignment the ownership remains with the Principal until the goods are sold. | K2 | CO1 |

SECTION B

II. Answer any TWO of the following (2 x 10 = 20)

5. Explain the difference between HPS and IS. K3 CO2
6. Illustrate the following problem: K3 CO2
 D in Madras Consigned to J in Trichy, goods to the value of Rs.60,000. (Cost Rs.40,000) paying freight and Insurance Rs.4,000 and draws a bill on J for RS.40,000 at 60 days 9/10ths of the consignment was sold by J for Rs.70,000 and expenses of Rs.4,000 was incurred. J is also entitled to a commission of 10% on sales. J remitted to D, the net amount held for his account by means of a sight draft. Show the ledger accounts in the books of both the parties.
7. Prepare branch account in the H.O. books, showing goods at invoice price K3 CO2
 Naga to Trichy has a branch at Madras. Goods are sent by head office at invoice price which is at the profit of 20% on cost price. All expenses of the branch are paid by head office.
 Opening Balance:
- | | |
|---------------------------------------|-----------|
| Stock at Invoice price: | Rs.11,000 |
| Debtors | Rs.1,700 |
| Petty cash | Rs.100 |
| Goods sent to branch at Invoice price | Rs.20,000 |
- Expenses Paid by H.O.
- | | |
|--------|--------|
| Rent | Rs.600 |
| Wages | Rs.200 |
| Salary | Rs.900 |
- Remittance made to H.O.
- | | |
|---|-----------|
| Cash Sales | Rs.2,650 |
| Cash collected from Debtors | Rs.21,000 |
| Goods returned by branch at Invoice price | Rs.400 |
- Balances at the end
- | | |
|------------------------|-----------|
| Stock at Invoice price | Rs.13,000 |
| Debtors | Rs.2,000 |
| Petty cash | Rs.25 |
8. Write the advantages of formal system within the organization? K3 CO2

SECTION C

III. Answer any TWO of the following (2 x 10 = 20)

9. Analyse the role of MIS, DSS and EIS K4 CO3

| | | | |
|--|---|----|-----|
| 10. | <p>Write the Journal entries required in the books of H.O. to record branch transactions:</p> <p>i) When goods are sent to branch</p> <p>ii) When cheque or draft is sent for branch expenses</p> <p>iii) When cheque or draft is received as remittance from branch</p> <p>iv) For Opening balances of assets</p> <p>v) For closing balances of assets</p> | K4 | CO3 |
| 11. | Compare between the Sacrificing Ratio and Gaining Ratio. | K4 | CO3 |
| 12. | <p>Prepare HP Trading account for the following transaction:</p> <p>Sundar sells goods on HPS at cost plus 60%.</p> <p>Jan 1 Goods out on HPS system at H.P.P Rs.32,000</p> <p>Dec 31 Installments not due and unpaid Rs.72,000</p> <p>Installments due and unpaid Rs.4,000</p> <p>The following transactions took place during the year:</p> <p>a) Goods sold on HPP Rs.1,60,000</p> <p>b) Cash received from customers at HPP Rs.1,12,000</p> <p>Goods received back on default valued at Rs.800 (Installment due Rs.4,000)</p> | K4 | CO3 |
| SECTION D | | | |
| IV. Answer any One of the following (1 x 20 = 20) | | | |
| 13. | Evaluate the structure of a Report . | K5 | CO4 |

| 14. | A and B are Partners sharing profits in the ratio 3:1. Their Balance sheet stood as under 31.3.2004: | K5 | CO4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------|--|-------------------|--------------|--------|--------------|------------|-------|-------|--------|-----------|--------|-------------------|-------|---------|--|---------|-------|-----------|--|-----------------|------------|------------------|--------|------|--------|--|--|-----------|--------|--|--|-----------|--------|--|--|-----------|-------|--|--------|--|--------|--|--|
| | <table border="1"> <thead> <tr> <th>Liabilities</th> <th>Amount (Rs.)</th> <th>Assets</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Salary due</td> <td>5,000</td> <td>Stock</td> <td>10,000</td> </tr> <tr> <td>Creditors</td> <td>40,000</td> <td>Prepaid Insurance</td> <td>1,000</td> </tr> <tr> <td>Capital</td> <td></td> <td>Debtors</td> <td>8,000</td> </tr> <tr> <td> A: 30,000</td> <td></td> <td>Less: Provision</td> <td><u>500</u></td> </tr> <tr> <td> B: <u>20,000</u></td> <td>50,000</td> <td>Cash</td> <td>18,500</td> </tr> <tr> <td></td> <td></td> <td>Machinery</td> <td>22,000</td> </tr> <tr> <td></td> <td></td> <td>Buildings</td> <td>30,000</td> </tr> <tr> <td></td> <td></td> <td>Furniture</td> <td>6,000</td> </tr> <tr> <td></td> <td>95,000</td> <td></td> <td>95,000</td> </tr> </tbody> </table> | Liabilities | Amount (Rs.) | Assets | Amount (Rs.) | Salary due | 5,000 | Stock | 10,000 | Creditors | 40,000 | Prepaid Insurance | 1,000 | Capital | | Debtors | 8,000 | A: 30,000 | | Less: Provision | <u>500</u> | B: <u>20,000</u> | 50,000 | Cash | 18,500 | | | Machinery | 22,000 | | | Buildings | 30,000 | | | Furniture | 6,000 | | 95,000 | | 95,000 | | |
| Liabilities | Amount (Rs.) | Assets | Amount (Rs.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salary due | 5,000 | Stock | 10,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Creditors | 40,000 | Prepaid Insurance | 1,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital | | Debtors | 8,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A: 30,000 | | Less: Provision | <u>500</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B: <u>20,000</u> | 50,000 | Cash | 18,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Machinery | 22,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Buildings | 30,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Furniture | 6,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 95,000 | | 95,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>C is admitted as a new partner introducing a capital of Rs.20,000, for his 1/4th share in future profits.</p> <p>Following revaluation are made:</p> <ol style="list-style-type: none"> Stock be depreciated by 5% Furniture be depreciated by 10% Building be revalued at Rs.45,000 The provision for doubtful debts should be increased to Rs.1,000. <p>Pass Journal entries, Prepare Revaluation A/c and Balance Sheet after admission.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

SECTION E

V. Answer any One of the following (1 x 20 = 20)

| | | | |
|-----|---|----|-----|
| 15. | <p>The following purchases were made by a business house having three departments:</p> <p align="center">Dept. A – 1000 units Dept. B – 2,000 units Dept. C – 2,400 units</p> <p>at a total cost of Rs.1,00,000</p> <p>Stocks on 1st January were:</p> <p align="center">Dept. A – 120 units Dept. B – 80 units Dept. C – 152 units</p> <p>Sales were:</p> <p align="center">Dept. A – 1020 units at Rs.20 each Dept. B – 1920 units at Rs.22.50 each Dept. C – 2496 units at Rs.25 each</p> <p>The rate of gross profit is same in each case. Prepare departmental trading account.</p> | K6 | CO5 |
| 16. | <p>X Ltd Purchased a piece of machinery on 1st January 1980 on the HPS. The Cash price of the machinery was Rs.29,800. Terms of payment were Rs.8,000 halfyearly over 2years, the 1st payment to be made on 30th June 1980. Rate of Interest was 6% p.a. X Ltd wrote off 10% depreciation under W.D.V method. It could not pay the installment due on 30th June 1981 and as consequences, the hire vendor took possession of the machinery. Give necessary ledger a/c's.</p> | K6 | CO5 |
