

ST. JOSEPH'S EVENING COLLEGE (AUTONOMOUS)**II SEMESTER B.COM EXAMINATIONS APRIL 2018****ADVANCED FINANCIAL ACCOUNTING / FA - II****Duration: 2.5 Hours****Max. Marks: 70****SECTION - A****I) Answer any EIGHT of the following questions. (8x2=16)**

1. Give the meaning of Down Payment.
2. What is average clause?
3. Calculate gross profit ratio
Sales Rs. 6,00,000 ; gross profit is Rs. 2,00,000
4. What are domestic branches?
5. What do you mean by load price?
6. How do you treat the following in Departmental accounting?
 - a. Canteen expenses
 - b. Rent paid
7. What is under insurance?
8. What is stock reserve?
9. What are the various types of branches?
10. How do you treat inter Departmental transfers?
11. What is interest suspense account?
12. Write any two objectives of preparing Departmental accounts.

SECTION - B**II) Answer any THREE of the following questions. (3x8=24)**

13. From the following figures relating to Pune branch opened in 2009, prepare Branch Account for 2009-10 and 2010-11:

Particulars	2009-10	2010-11
Goods sent to branch	30000	42000
Sales- cash	12000	19200
Credit	21600	30000
Cash received from debtors	19200	24000
Discount allowed to debtors	300	900
Bad debts	300	600
Cash sent to branch for expenses	4200	6000
Stock on 31st December	4800	8400

Petty cash balance on 31st December	100	120
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14. The cash price of a machine which is sold on installment purchase system on 1-1- 2011 is Rs. 50000; Rs. 10000 paid on signing the agreement and the balance in 4 equal annual installments of Rs. 11000 each. It should be noted that each of these installments include interest on outstanding balance. Find out the amount of interest included in each installment.
15. Distinguish between Hire purchase system and Installment purchase system.
16. With the help of the data given below ascertain the purchases of each departments

Departments	No of Units purchased
A	400
B	2800
C	800

The units were purchased at the cost of Rs 45900. The units were sold by each department A Rs 15 per unit, B Rs 18 per unit and C Rs 6 per unit. The rate of gross profit is same in each department.

17. Fire occurred in the premises of a business firm on 30-9-2017. The stock of the value of Rs. 1, 00,000 was Salvaged and the books of accounts were saved. The following information is given :

Stock as on 31st March 2016	Rs. 260000
Purchases during the year ended 31st March 2016	Rs. 700000
Sales during the year ended 31st March 2016	Rs. 1000000
Purchases from 1-4-2017 to 30-09-2017	Rs. 240000
Sales from 1-4-2017 to 30-09-2017	Rs. 360000

Stock as on 31st March 2015 was undervalued by Rs. 40000 whereas it was overvalued by Rs. 20000 on 31st March 2017 calculate the amount of Insurance claim based on the rate of gross profit on sales.

SECTION - C

III) Answer any TWO of the following questions. (2x15=30)

18. The following balances are extracted from the books of Mr. Sudarshan. You are required to prepare Departmental trading and Profit & Loss A/c for the year ended 31st December 2008 after adjusting unrealized Departmental profit if any:

	Department A	Department B
Opening stock	50000	40000
Purchases	650000	910000
Sales	1000000	1500000

General expenses incurred for both Departments for Rs. 125000 and you are supplied with the following information:

- Closing stock of Department A Rs. 1 lakh including goods from Department B for Rs. 20000 at cost of Department A
- Closing stock of Department B Rs. 200000 including goods from Department for Rs. 30000 at the cost of Department B

c. The gross profit is uniform from year to year.

19. On 30th September 2013 the stock of Armstrong Limited was lost in fire accident. From the records saved, the following information is available, with which you are asked to prepare statement of claim to be lodged with the insurance company

Stock at cost on 1-4 -2012	37500
Stock out cost on 31st March 2013	52000
Purchases less returns for the year ending 31st March 2013	253750
Sales less return for the year ending 31st March 2013	315000
Purchases less return up to 30-09-2013	145000
Sales less returns up to date 30-09-2013	184050

In valuing stock on 31st March 2013, due to obsolescence 50% of the value of stock which original cost of 6000 had been written off. In May 2013, three fourth of the stock had been sold at 90% of the original cost and it is expected now that the balance of obsolete stock would also realize the same amount. Subject to the above, gross profit remained uniform throughout. Stock salvage was Rs. 7200.

20. Karnataka Trading Company of Bangalore has a branch at Hubli. The goods are invoiced to branch at 20% profit on sales. All expenses of the branch are paid by the head office. from the following information, prepare Branch Account in the books of the head office:

Stock on 1-1-2005		180000
Debtors on 1-1-2005		150000
Petty cash on 1-1-2005		200
Goods sent to branch invoice price		800000
Cash sales		420000
Credit sales		680000
Goods returned by branch at invoice price		30000
Cash sent to branch for:		
Salary	60000	
Rent	54000	
Petty cash	<u>7600</u>	121600
Cash received from debtors		720000
Discount allowed to debtors		6000
Bad debts		4000
Stock on 31st December 2005 at invoice price		200000
Petty cash on 31st December 2005		400

- 21.
- | Particulars | Department A | Department B | Total |
|-------------|--------------|--------------|-------|
|-------------|--------------|--------------|-------|

Stock on 1-4-2017	17400	14700	
Purchases	35000	30000	
Sales	60000	40000	
Wages	8200	2700	
Rent, taxes and insurance			9390
Sundry expenses			3600
Salaries			3000
Lighting and heating			2100
Discount allowed			2220
Discount received			650
Advertisement			3680
Carriage inwards			2340
Furniture			3000
Plant and machinery			21000
Sundry debtors			6060
Sundry creditors			30650
Capital			47660
Drawings			4500
Cash			10070

From the following particulars prepare trading and P&L account in the books of a trader and also prepare balance sheet.

Additional information:

- a) Internal transfer of goods from Department A to Department B at a cost of Rs. 420
- b) Rent, taxes and insurance, sundry expenses, lighting and heating, salaries and carriage inward to be distributed in the ratio of 2/3 & 1/3 in A and B.
- c) advertising to be apportioned equally
- d) Discount allowed and received to be apportioned as per sales and purchases ignoring transfers
- e) Depreciation at the rate of 10% per annum on furniture and plant and machinery to be charged to A Department and to B Department in the ratio of 3:1.
- f) Services rendered by B Department to A Department included in the wages of B Department Rs. 500
- g) Stock on 31st March 2017 where Department A Rs. 16740, Department B Rs. 12050