

**ST. JOSEPH'S EVENING COLLEGE (AUTONOMOUS)**

**II SEMESTER B.COM EXAMINATIONS - APRIL 2019**

**ADVANCED FINANCIAL ACCOUNTING- 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. State the essential features of Installment Purchase System.
3. What do you mean by Salvage?
4. How can claim for loss of stock be calculated when average clause is applicable?
5. Mention the Basis of apportionment of the following expenses in case of Departmental Accounting.
  - i) Labour Welfare Expenses
  - ii) Rent paid
6. Find out sales when cost of goods sold is Rs. 80,000 and Gross profit ratio 20% on sales.
7. Loading is 20% of Invoice price. What amount should be transferred to stock reserve amount if the invoice price of closing stock is Rs. 3, 60,000?
8. What is the purpose of preparing the Branch Accounts?
9. What is Invoice Price Method?
10. State two Objectives of Departmental Accounting.
11. What is Memorandum Trading Account?
12. What is dependent Branch?

**SECTION - B**

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

13. Fire occurred in the premises of Mr. Anju on September 30, 2015. All the stocks were destroyed except to the extent of Rs. 56,000. From the following details ascertain the claim to be lodged by Anju.  
Stock on 1<sup>st</sup> January 2015 - Rs. 1,06,000  
Purchases up to 30<sup>th</sup> September 2015 - Rs. 6,08,000  
Wages up to 30<sup>th</sup> September 2015 - Rs. 30,000  
Freight up to 30<sup>th</sup> September 2015 - Rs. 10,000  
Sales up to the date of fire - Rs. 8,00,000  
The Rate of Gross profit is 25% on Cost.

14. A Firm has Two departments A and B. During the trading period ending 31.3.2015 the requisite figures were as follows:

Particulars	Department A	Department B	Total
Opening Stock	5,000	7,000	12,000
Purchases	42,000	52,000	94,000
Sales	80,000	93,000	1,73,000
Purchase Returns	2,000	2,000	4,000
Sales Returns	2,000	2,000	4,000
Carriage in wards	.....	.....	4,500
Power	.....	.....	6,000
Wages	.....	.....	11,000

Closing stock of Department A Rs. 2,000 and B Rs. 9,000 and wages are allotted in the ratio 5:6 and the number of units consumed by Department A and Department B are in the Ratio of 1: 2. Prepare Departmental Trading Account.

15. A Head office in Mumbai sent goods to its Branch at Pune marked 20% above Cost. From the Following particulars show how the Branch Account will appear in the books of Head Office.

Particulars	Amount
Stock on 1.1.2015	18,000
Debtors on 1.1.2015 at the Branch	30000
Petty Cash on Hand at the Branch	300
Goods Supplied to Branch	3,00,000
<b>Remittance from Branch</b>	
Cash Sales	60,000
From Debtors	2,10,000
<b>Cheques sent to Bank</b>	
Salary	9,000
Rent and Taxes	1,500
Petty Cash	1,100
Stock at Branch on 31.12.2015	30,000
Debtors at Branch on 31.12.2015	48,000
Petty Cash at Branch on 31.12.2015	200

16. Calculate the Cash price of an asset from the following:

Down Payment – Rs. 15,000

I Year Installment – Rs. 19,000

II Year Installment - Rs. 18,000

III Year Installment – Rs. 17,000

IV Year Installment – Rs. 16,000

Rate of Interest at 10%.

17. Give the differences between Sale and Hire purchase system

### SECTION - C

III) Answer any TWO of the following questions.

(2x15=30)

18. On 1<sup>st</sup> April, 2014 the Titan Industries bought a machine from HMT Ltd. on hire purchase system. The cash price of the machine was Rs. 37,250 and the payment was to be made as follows Rs. 10,000 on signing of the agreement and the balance in yearly installment of Rs.10, 000 each on 31<sup>st</sup> March every year. The HMT Ltd. Charges interest at 5% p.a. and Titan industries writes off 10% every year on reducing balance system. Pass the necessary journal entries in the books of Titan Industries.

19. From the following particulars relating to Bengaluru Branch for the year ending 31st March 2015. Prepare the necessary account in the Head Office Books:

Particulars	Amount
Stock at the Branch on 01.04.2014	22,500
Debtors at the Branch on 01.04.2014	45,000
Petty cash at the Branch on 01.04.2014	450
Goods sent to Branch during 2014-2015	3,78,000
Remittances from branch during 2014-15:	
For cash sales	90,000
Received from Debtors	<u>3,15,000</u>
Credit sales during 2014-15	3,42,000
Cheques sent to Branch during 2014-15	
For Salaries	13,500
For Rent and Rates	2,250
For Petty Cash	<u>1,650</u>
Stock at the Branch on 31..03.2015	37,500
Petty cash at the Branch on 31.03.2014	300
Goods returned by the Branch	3,000

20. Determine the amount of Claims to be lodged by M/s Tridev and company from the following details. A company had taken a fire insurance policy for Rs. 1,20,000 covering its stock and the policy was subject to average clause:

Particulars	2013-2014	1.4.2014 to 15.6.2014
Sales	11,43,000	6,69,500
Purchases	7,89,500	3,94,000
Wages and Salaries	1,37,400	68,900
Sales return	54,500	15,800
Purchase Returns	27,400	9,600
Carriage inwards	27,4000	9,600

Date of Fire 15.06.2014, Stock on 1.4.2013 was Rs. 1,28,700, Stock on 31.03.2014 was Rs. 1,89,000, Stock salvaged Rs. 19,310, Stocks had always been valued at 10% below cost.

21. From the following balances extracted from the Books of Rama Departmental Stores. Prepare Departmental Trading and Profit and Loss Account for the year ended 31<sup>st</sup> Dec 2016

Particulars	Debit	Credit
Opening Stock 1.1.2016		
Department I:	1,20,000	
Department II:	90,000	
Purchases and Sales		
Department I:	1,60,000	3,00,000
Department II:	1,40,000	2,80,000
Carriage Inwards		
Department I:	4,000	
Department II:	2,000	
Machinery	36,000	
Salaries	60,000	
Rent	12,000	
Repairs to machinery	30,000	
Debtors and Creditors	45,000	60,000
Capital		1,60,000
Cash in Hand	12,000	
Bills Receivable and Payable	15,000	6,000
Drawings	20,000	
Buildings	60,000	
Total	8,06,000	8,06,000

Adjustments:

- Closing Stock : Department I: 1,40,000 ; Department II: 1,20,000
- Salaries to be allocated in the ratio of 7:3
- The value of Machinery in Department I is Rs. 20,000 and that of Department II is Rs. 16,000
- Depreciate Machinery at 10% p.a. and Building by 5% p.a.
- Area of the Building is occupied by Department I: 3/5<sup>th</sup> and Department II: 2/5<sup>th</sup>.