



DCBC201

Reg. No.

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II Semester B.Com./LSCM/D.A/T&T/A&F/IAS

Degree Examination, September - 2023

COMMERCE

ADVANCED FINANCIAL ACCOUNTING

Paper : 2.1

(NEP Scheme)



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 is Insurance?
- b) What is Memorandum Trading Account?
- c) How do you allocate the following expenses in Departmental Accounting
 - i) Discount allowed
 - ii) Rent and Taxes
- d) What is Hire purchase system?
- e) What is single entry system?
- f) State the two drawbacks of Single Entry System.
- g) What is meant by Loaded price in Branch accounts?

(OR)

What is Cloud based Accounting?

[P.T.O.]



SECTION - B

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

2. Ascertain the Gross profit Ratio from the following Informations.

	Rs.
Opening stock	1,00,000
<u>Purchases</u>	
Cash Purchase	80,000
Credit Purchase	2,20,000
Wages	20,000
Carriage Inward	5,000
Carriage outward	10,000
Purchase return	10,000
<u>Sales</u>	
Cash sales	2,00,000
Credit sales	3,00,000
Sales return	2,000
Closing stock	4,00,000
Manufacturing expenses	5,000

3. Calculate the amount of interest and principal included in each Installment:
Cash price Rs. 2,00,000,
Down payment Rs. 50,000,
Three Installments of Rs. 60,000 each payable at the end of Each year.
4. Distribute the following expenses to the Department of a business on an appropriate basis.

Particulars	Amount
Advertisement expenses	25,000
Rent	12,000
Electric light charges	7,000



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Salaries paid 2,00,000

Depreciation 9,000

The following information is available regarding the departments.

Particulars	Department		
	A	B	C
Sales in	Rs. 1,00,000	1,00,000	5,00,000
Floor area in sq mtrs	600	400	200
No of light points	10	15	10
No of employees	9	6	5
Value of assets in	Rs.5,00,000	2,00,000	2,00,000

5. State the objectives of Branch Accounts.

(OR)

State the Benefits of Cloud based accounting.

6. From the following information calculate total sales

Particulars	Amount
	Rs.
Opening balance of Debtors	30,800
Bills Receivable in the beginning	7,800
Bills Receivable encashed during the year	20,900
Cash Received from Debtors	70,000
Bad debts written off	2,800
Return inwards	8,700

[P.T.O.]



Bills Receivable dishonoured	1800
Bills Receivable at the end of the year	6,000
Debtors at the end of the year	25,500
Cash Sales as per cash book	40,900

SECTION - C

Answer any Two of the following questions. Each question carries Twelve marks.
(2×12=24)

7. Mohit carries on a Grocery business and does not keep his books on a double entry basis.

The following particulars have been extracted from his books.

Particulars	1/4/2021	31/3/2022
	(Rs.)	(Rs.)
Plant and machinery	18,000	18,000
Stock	8,000	7,000
Sundry Debtors	2,000	3,000
Sundry creditors	5,000	4,360
Cash	4,000	??

Analysis of his cash book for the year ending 31-03-2022 showed the following

Particulars	31/3/2022
	(Rs.)
Wages	6,000
Sundry expenses	2,500
Advertising	1,120
Rent and Rates	2,500
Carriage inward	2,460
Cash received from Debtors	82,500



Cash paid to creditors 64,340

Drawings 3,120

During the financial year 2020-21, Mohith had taken from his business for his own consumption goods amounted to Rs. 780. Purchase return during the year were Rs. 2,000 and sales return were Rs. 1,000. Depreciate machinery by 5%. Prepare Trading and profit and Loss account for the year ending 31st March 2022 and Balance sheet as at that date.

8. Determine the amount of Fire claim from the following details

Stock Salvage Rs. 10,000

Value of policy Rs. 30,000

Other details were

Particulars	2020	1.1.2021 to 31.3.2021
Opening stock	63,000	-
Closing stock	81,000	-
Purchases	4,00,000	2,00,000
Wages	18,000	-
Carriage inward	2,000	-
Sales	5,05,000	3,08,000
Sales Return	5,000	8,000

There is an average clause in the policy. It is the practice of the company to value the stock at 10% below the cost.

[P.T.O.]



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9. Mr. Chinnu who is Running a departmental stores, has supplied you with the following ledger.

Particulars	Department	
	A (Rs.)	B (Rs.)
Stock on 01-01-2021	2,000	4,000
Purchases A -6,000 kgs	10,000	-
B - 18,000 kgs	-	16,000
Wages	1,200	1,600
Sales	20,000	30,000
Rent and Taxes	1,200	
Salaries	1,440	
Carriage inwards	480	
Advertisement expenses	1,560	
Discount (Credit)	360	
Furniture and Fixture	8,000	
Debtors	1600	
Investments	10,000	
Creditors	800	
Capital	16,000	
Drawings	400	
Bank	6,000	
Cash	1,680	



Prepare Departmental Trading and profit and loss account for the year ended 31-12-2021 and the Balance sheet after taking into considerations the following adjustments.

a) Closing stock on 31-12-2021

Department - A Rs. 2,000

Department - B Rs. 4,000

b) Internal Transfer of goods from Department A to Department B Rs. 200 at cost

c) Space occupied by Dept A - 200 sq ft and dept - B - 400 sq ft

d) Other income and expenses should be apportioned on the basis which you think most inevitable.

SECTION - D

Answer any One of the following question. Each question carries Six marks.

(1×6=6)

10. Identify the procedure and documentation involved in the insurance claims.

11. Identify the common expenditures of a Departmental undertaking.
