Roll No:
Date: __/__/____

St. Claret College

Autonomous, Bengaluru

UG END SEMESTER EXAMINATION-MAY 2026
B. COM TOURISM AND TRAVEL MANAGEMENT II SEMESTER
BCT 2124: ADVANCED FINANCIAL ACCOUNTING

14

TIME: 3 hours. **MAX. MARKS: 80**

This paper contains SIX printed pages and FOUR parts

Instructions:
1. **Verify and ensure that the question paper is completely printed.**
2. **Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.**
3. **Students must check the course title and course code before answering the questions.**

PART-A

Answer ALL questions. Each answer carries one mark. **[10 x 1 =10]**

1. LLP stands for
   a) Limited Liability Partnership c)Limited Legal Partnership
   b) Legal Liability Partnership d)Limited Law Partnership
2. LLP has
   a) No succession b) Temporary life c) Perpetual succession d) Fixed life
3. Expenses paid by co-venturer recorded in
   a) Personal A/c b) Joint Venture A/c c) Capital A/c d) Cash A/c
4. Joint Venture ends after
   a) Profit b) Completion of project c) 1 year d) Loss
5. Goods sent at invoice price includes
   a) Profit b) Loss c) Tax d)Expense
6. Debtor system used for
   a) Foreign b) Independent c) Dependent branch d)All
7. Exchange rate fluctuation causes
   a) Gain/loss b) No effect c) Tax d)Salary
8. Average rate is used for conversion of
   a) Opening stock b) Fixed Assets c) Expenses & Income d)Current Assets
9. Advertisement is generally apportioned among departments on the basis of:
   a) Purchases b) Floor area c) Power d)Sales
10. The main purpose of branch accounting is to:
    a) Increase sales c) Calculate tax
    b) Ascertain profit or loss of each department d) Reduce expenses

PART-B

Answer any THREE questions. Each answer carries EIGHT marks. **[3 x 8 = 24]**

11. From the following Extracts of the ledger balance taken from Ray Ltd. for the year ending 31/3/2025. Prepare a statement of profit and loss. Make provision for Tax at 30% on profit.

    Revenue from operation ₹4,90,000
    Other Income ₹10,000
    Advertising ₹26,250
    Salaries ₹1,35,000
    Depreciation ₹ 14,000
    Interest on loan ₹5,000
    Insurance ₹5,000
    Bad debts ₹2,500
    Preliminary exp. written off ₹5,000
    Discount ₹2,500
    Printing & Stationery ₹5,000
    Cost of Goods ₹1,25,000

12. Mohan and Babu entered into a Joint Venture to construct a building. They opened a Joint Bank account into which Mohan deposited ₹ 1,00,000 and Babu ₹ 50,000. The payments from Joint Bank account were: Wages ₹ 25,000, Cement and other Materials ₹ 85,000, Administration expenses ₹ 18,000.
    Mohan paid ₹ 70,000 for purchase of building materials and Babu paid ₹ 9,000 for conveyance charges. The venture was completed and the balance materials valued at ₹ 12,000 were taken over by Babu. The contract price realized was ₹ 3,00,000. Profits or losses are to be divided in the ratio of 3:2. Pass the necessary Journal entries.

13. Krish ltd with its Head office in Bengaluru has a Branch at Mysuru. Goods are supplied to the Branch at cost. The expenses of the Branch are paid from Bengaluru and the Branch keeps a sales ledger and the Debtors ledger only. From the following information supplied by the Branch, prepare Branch A/c in the books of Head Office.

Particulars		₹
Stock at Branch on 1.4.2024		16,700
Goods sent to Branch during the year		48,600
Total sales at Branch		78,300
Cash sales		19,300
Cash received from Debtors		54,400
Petty cash at Branch on 1.4.2024		220
Goods Returned by the Branch		5,900
Cash sent to Branch for expenses:		
Salary	13,200	
Petty Cash	2,600	
Rent	3,200	19,000

Stock at Branch on 31.3.2025	20,800
Petty cash at Branch on 31.3.2025	200
Debtors at Branch on 31.3.2025	18,300

14. Convert the following trail balance as on December 31, 2025 of the London Branch of a Madurai Head office:

Particulars	£	£
Stock in hand	1800	-
Purchases and sales	12,500	18,750
Debts and Creditors	6,000	5,000
Bills Receivable and Bills payable	1,600	2,140
Salaries and wages	800	-
Rent, Rates etc.	600	-
Sundry Charges	250	-
Furniture	700	-
Cash at Bank	7,400	-
Bengaluru H.O. A/c	-	5,760
Total	**31,650**	**31,650**

Additional Information

- The London Branch Account in Madurai H.O. books were ₹ 66,400. Furniture appeared in H.O. books at ₹ 10,000.
- Rate of exchange on Jan 1, 2025: ₹ 14, on Dec 31, 2025: ₹ 9, Average rate for year 2025: ₹ 12

15. From the following particulars, prepare a Departmental Trading and Profit and Loss a/c for the year ended 31st March 2025.

Particulars	Department A (₹)	Department B (₹)
Stock on 1/4/2024	5000	7,000
Purchases during the year	60,000	50,000
Sales	80,000	75,000
Closing stock	10,000	8,000

Wages and carriage	₹15,500
Rent rates and insurance	₹30,000
Office salary	₹7,750
Printing and stationary	₹3,100

Apportion the expenses in proportion to the turnover of each department.

PART-C

Answer any THREE questions. Each answer carries TWELVE marks. [3 x 12 = 36]

16. Varun and Arun entered into a Joint venture to produce film for the government. The Government agrees to pay ₹ 2,00,000. Varun contributes ₹ 20,000 and Arun contributes ₹ 30,000. These amounts are paid into Joint Bank Account. Payments made out of Joint bank account were –Purchase of Equipment ₹ 12,000, Hire of Equipment ₹ 10,000, Wages ₹ 90,000, Materials ₹ 20,000 and other expenses ₹ 10,000.

Varun paid ₹ 4,000 as licensing fees. On completion, Government paid the agreed amount. The equipment were taken over by Arun at a valuation of ₹ 4,000. Separate books were maintained for

the Joint venture whose profit were divided in the ratio of 2:3. Pass Journal entries and prepare the necessary ledger accounts.

17. From the Following Trial Balance of Meena Company Ltd., as at 31/3/2025. Prepare the Balance sheet of the company

DEBIT	₹	CREDIT	₹
Cash at bank	75,000	Partners capital	1,25,000
Non-current assets	50,000	Reserves and surplus	25,000
Non-current investments	25,000	Noncurrent liabilities	2,00,000
Land and building	2,00,000	Current liabilities	50,000
Furniture	50,000	Staff provident funds	50,000
Office equipment	25,000	Deposits from public	50,000
Goodwill	50,000	Partners current A/c	1,25,000
Stock	1,00,000		
Debtors	50,000		
TOTAL	6,25,000	TOTAL	6,25,000

18. Delhi H.O of a company invoices goods to its Gujarat Branch at cost plus 20%. The Branch also purchases independently from local parties goods for which payments are made by the H.O. All the cash collections of the day is to be remitted to H.O. through a bank A/c and all expenses of the branch are directly paid by the H.O. From the following show Branch A/c in H.O. books.

	₹
Imprest cash:	
1.4.2024	20,000
31.3.2025	18,500
Sundry Debtors on 1.4.2024	2,50,000
Stock on 1.4.2024:	
Transferred from H.O (at invoice price)	2,40,000
Direct purchases by Branch.	1,60,000
Total sales	17,50,000
Cash sales	4,50,000
Returns from customers	30,000
Direct Purchases	4,50,000
Goods sent to Branch from H.O	6,00,000
Transfer from H.O for petty cash expenses	25,000
Bad debts	10,000
Discount to customers	20,000
Cash received from Customers	12,50,000
Branch Expenses	3,00,000
Stock on 31.3.2025	
Directly Purchased by Branch	1,20,000
Transferred from H.O (at invoice price)	1,80,000

19. On 31st December, 2025 the following balances appeared in the books of Chennai Branch of an English firm having its H.O. office in New York:

Particulars	Amount in ₹	Amount in ₹
Stock on 1st Jan., 2024	2,34,000	–
Purchases and Sales	15,62,500	23,43,750
Debtors and Creditors	7,65,000	5,10,000
Bills Receivable and Payable	2,04,000	1,78,500
Salaries and Wages	1,00,000	–
Rent, Rates and Taxes	1,06,250	–
Furniture	91,000	–
Bank Account	5,68,650	–
New York Account	–	5,99,150
Total	36,31,400	36,31,400

- Stock on 31st December, 2025 was ₹ 6,37,500.
- Branch account in New York books showed a debit balance of $ 13,400 on 31st December, 2025 and furniture appeared in the Head Office books at $ 1,750.
- The rate of exchange for $ 1 on 1st January, 2025 was ₹ 52 and on 31st December, 2025 was ₹ 51. The average rate for the year was ₹ 50.Prepare in the Head Office books the Profit and Loss account and the Balance Sheet of the Branch assuming integral foreign operation.

20. A firm has two departments A and B. during the trading period ending 31/03/2025 the requisite figure was as follow

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	173,000
Purchase returns	2,000	2,000	4,000
Sales Returns	2,000	2,000	4,000
Closing Stock	6,000	8,000	14,000
Wages	5,000	6,000	11,000
Carriage inwards	-	-	4500
Discount received	-	-	1,800
Carriage outwards	-	-	1,300
Salaries	10,000	13,000	23,000
General Salaries	-	-	13,000
Rent, Rates, Taxes	-	-	5,000
Discount allowed	-	-	1,300
Sundry expenses	-	-	2,600

Prepare Trading and profit and loss a/c in tabular form assuming that

a. Rent, rates, taxes are pertaining to business premises which are occupied by the two departments equally
b. Depreciation at 10% is to be charged on machinery costing Rs 60,000 which is used by the two departments in 2:1 ratio.
c. Proportionate general salaries and sundry expenses on the basis of sales.

PART-D

Answer the question. The answer carries TEN marks. **[1 x 10 =10]**

21. Analyse the case given and answer the sub questions:

A well-known supermarket "Fresh Mart Superstore" operates with multiple departments such as Groceries and Stationery. The management wants to analyse the performance of each department separately for better control and decision-making.

For the year ended 31st March 2025, the following details are available:

Particulars	Groceries (₹)	Stationery (₹)
Opening Stock	50,000	30,000
Purchases	2,50,000	1,50,000
Sales	4,00,000	2,50,000
Closing Stock	60,000	40,000

Additional Information:

- Rent = ₹60,000 (allocated in ratio 2:1)
- Salaries = ₹90,000 (equally divided)

a) Explain why departmental accounting is important for a supermarket like Fresh Mart. State any two benefits with reference to the case. **(5marks)**

b) Calculate Gross Profit and Net Profit for each department. **(5marks)**