Roll No:
Date: __/__/____

St. Claret College

Autonomous, Bengaluru

UG END SEMESTER EXAMINATION-MAY 2026
B. Com II SEMESTER
BC 2124: ADVANCED FINANCIAL ACCOUNTING

TIME: 3 hours. 9 **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. **[1 x 10 = 10]**

1. The limited liability partnership contains which of the following elements?
   A. Corporate Structure
   B. Partnership Structure
   C. Both a and b
   D. None of these
2. _____ is a short duration special purpose partnership
   A. Limited Liability Partnership
   B. Branch Partnership
   C. Joint Venture
   D. Limited Partnership
3. What is the time limit within which LLP shall file Annual Return with the Registrar:
   A. Within 30 days of closure
   B. Within 60 days of closure
   C. Within 15 days of closure
   D. Within 45 days of closure
4. The partners of Joint Venture are called _____
   A. Bailors B. Consignee C. Partner D. Coventurers
5. Branch account under Debtors system is a _____
   A. Real Account B. Nominal Account C. Personal Account D. Both B and C
6. Sales is the basis of apportionment in case of
   A. Carriage Outward B. Carriage Inward C. Rent D. Discount Received
7. The Branch whose head office is in home country but branch located in host country is known as
   A. Foreign Branch
   B. Independent Branch
   C. Dependent Branch
   D. None of the above
8. The goods sent by the head office may be either at _____ or Cost- Plus profit
   A. Cost Price B. Selling Price C. Market Price D. Invoice Price
9. Departmental Accounts facilitates
   A. Comparison of Trading Results
   B. For Planning and Controlling.
   C. Evaluate Departmental Performance
   D. All of the Above

10. Stock on 1-4-2024 is ₹30,000 at Invoice Price (Profit on Cost 25%). At what price should the Stock Reserve Account be credited with in the books of Head Office

A. 6,000 B. 6,750 C. 7,500 D. 5,000

PART-B

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

11. Prepare a statement of profit and loss from the following details of Mohith Ltd for the year ended 31/3/2025

Sales	18,50,000	P F contribution of employees	52,000
Purchase	7,80,000	Interest on unsecured loans	36,000
Commission received	3,25,000	Sundry expenses	10,000
Carriage inward	80,000	Depreciation	45,000
Return outwards	40,000	Income tax paid	76,500
Opening stock	2,00,000	Excise duty	50,500
Closing stock	1,20,000	Consumables	85,000
Rent received	47,000	Factory expenses	55,000
Salaries of employees	2,30,000	Interest on bank loan	3,75,000

12. A firm has 2 departments A and B. During the trading period ending 31/3/2025 the requisites figure was as follows

Particulars	**Dept A**	**Dept B**	**Total**
Opening Stock	8,000	10,000	18,000
Purchases	45,000	55,000	1,00,000
Sales	93,000	1,02,000	1,95,000
Purchase Returns	5,000	5,000	10,000
Sales Returns	3,000	2,000	5,000
Closing Stock	9,000	11,000	20,000
Wages	8,000	9,000	17,000
Carriage Inwards	-	-	7,200
Discount Received	-	-	3,000
Carriage Outward	-	-	2,300
Salaries	13,000	16,000	29,000
General Salaries	-	-	13,000
Rent And Taxes	-	-	6,000
Discount Allowed	-	-	2,000
Sundry Expenses	-	-	4,200

Prepare Profit and Loss account assuming that:

1. Rent and taxes are occupied equally by the two departments.
2. Discount allowed to be allocated on equal basis.
3. Depreciation to be charged on machinery costing ₹90,000 at 10% p.a. which is used by departments in the ratio 2:1.
4. General Salaries, Carriage Outward and Sundry Expenses on the basis of Net sales.
5. Carriage Inward and Discount Received on the basis of Net purchase.

13. Convert the following trail balance as on December 31, 2024 of the New York Branch in the books of Bengaluru Head office:

Particulars	**$ Dr**	**$ Cr**
Stock in Hand	1,000	-
Purchases and Sales	700	11,000
Debtors and Creditors	3,500	2,600
B/R and B/P	800	2,100
Wages and Salaries	500	-
Rent, Rates etc	200	-
Sundry Charges	120	-
Furniture	5,000	-
Cash at Bank	2,500	-
Madurai H. O. A/C	-	3,500

Stock on 31-12-2024 was ₹2750. The New York Branch Account in the books of head office was ₹2,45,000. The exchange rate on 1-1-2024 is 1$ = ₹55 31-12- 2024 is 1$ =₹70 Average Value is 1$ = ₹62.5

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

Stock on 1-4-2024 at invoice price	25,500	Cash on 1-4-2024	4,000
Debtors on 1-4-2024	1,20,000	Goods returned to H.O at invoice price	4,000
Furniture on 1-4-2024	80,000	Debtors on 31-3-2025	40,000
Petty expense for the year	3,250	Cash received from Mumbai for: Wages and salaries 11,000 Rent 8,000 Sundry expenses 1,000	20,000
Goods invoice from Mumbai at invoice price	86,500	Remittances to Mumbai: Cash Sales 2,50,000 Cash from Debtors 60,000	3,10,000
Stock on 31.3.2025 at invoice price	18,000	Depreciation charged at 10%	

15. State the differences between Joint Venture and Partnership.

PART-C

Answer any THREE questions. Each answer carries TWELVE marks. **[12x3=36]**

16. The following trial balance for the year ended 31/03/2024 was extracted from the books of Mahaveer Traders.

Particulars	**Dr**	**Cr**
Capital	-	1,00,000
Drawings	25,000	-
Stock On 1/4/2023: Dept O Dept M	 77,500 45,000	
Sales: Dept O Dept M	- 	 5,31,000 2,20,000

Purchases: Dept O Dept M	 3,37,500 1,72,500	
Salaries	20,000	-
Advertisement	15,000	-
Rent Rates and Taxes	5,000	-
Commission	16,200	-
General Expenses	7,500	-
Furniture	24,000	-
Sundry Debtors	27,500	-
Government Securities	17,000	-
Sundry Creditors	-	15,000
Interest	-	1,200
Provision for Bad Debts	-	1,000
Cash And Bank Balance	9,000	-
Wages	10,000	-
Loan	-	30,500

a. The Stock as on 31/03/2024 was O- 55,000, M – 40,500
b. Goods were transferred at cost by-
   i. Department O to Department M ₹ 3,500 ii. Department M to Department O ₹ 3,000
c. An amount of Rs 2,000 from debtors has to be written off as bad and the provision for doubtful debts has to be increased thereafter to 10% of the debtors.
d. The following expenses are outstanding as on 31/03/2020- Advertisement 2,000; Salaries 2,200 and Commission 3,500.
e. Provide 10% depreciation on furniture.
f. All Items to be allocated in the ratio of 2:1 and wages equally between Dept O and M.

Ignore fraction of a rupee in calculation. Prepare the Departmental Final Accounts of Mahaveer Traders.

17. From the following particular's, prepare the Mysore Branch A/c in the books of Bangalore H.O.

Stock on hand at Branch	15,000
Debtors at Branch 1.4.2022	9,000
Petty cash at Branch1.4.2022	900
Furniture at Branch 1.4.2022	7,000
Prepaid Insurance 1.4.2022	650
Outstanding salary1.4.2022	550
Goods sent to Branch	85,000
Cash sales by Branch	1,35,000
Credit sales by Branch	45,000
Amount collected from Debtors	40,000
Amount received by the H.O directly from the Branch debtors	7,000
Discount allowed to Branch debtors	600
Cash sent to Branch for Expenses: For Rent For Salaries For Petty Expenses	 5,000 6,000 5,000

For Insurance Premium (Paid up to 30th June 2023 at the rate of 600 p.a.)	600
Goods returned to H.O from Branch	5,000
Goods returned to Branch by debtors	7,000
Stock on hand at Branch on 31.3.2023	10,000
Petty Expenses at Branch	1,000
Depreciation on Branch furniture is 10% p.a.	

Prepare Debtors Account, Branch Account and Branch Debtors Accounts.

18. Olivia & Co. has head office at San Francisco (USA.) and branch at Bengaluru (India). Bengaluru branch furnishes you with its trial balance as on 31st March, 2024 and the additional information given thereafter.

	Dr ₹ In '000	Cr ₹ In '000
Stock on 1st April, 2023	300	-
Purchases and Sales	800	1200
Sundry Debtors and Creditors	400	300
Bills of Exchange	120	240
Wages and Salaries	560	-
Rent, Rates and Taxes	360	-
Sundry Charges	160	-
Computers	240	-
Bank Balance	420	-
San Francisco Office A/c	-	1620

Additional information:

(a) Computers were acquired from a remittance of US $ 6,000 received from San Francisco head office and paid to the suppliers. Depreciate computers at 60% for the year.

(b) Unsold stock of Bengaluru branch was worth 4,20,000, on 31st March, 2024.

(c) The rates of exchange may be taken as follows:

(i) on 1.4.2023 @ ₹40 per US $

(ii) on 31.3.2024 @₹ 42 per US $

(iii) Average Exchange Rate for the year @ ₹ 41 per US $

(iv) Conversion in $ shall he made up to two decimal accuracies.

You are asked to prepare in US dollars the revenue statement for the year ended 31st March, 2024 and the balance sheet as on that date of Bengaluru branch as would appear in the books of San Francisco Head Office of Olivia & Co. You are informed that Bengaluru branch account showed a debit balance of US $ 39609.18 on 31.3.2024 in San Francisco books and there were no items pending reconciliation.

19. From the following Trail balance of ABC Limited prepare statement of profit and loss and balance sheet as on 31st March 2024.

Particulars	Debit	Credit
Revenue from Operations		4,90,000
Other Income		12,500
Cost of Goods Sold	1,75,000	
Cash at Bank	2,00,000	
Current Liabilities		1,00,000
Staff Provident Fund		50,000
Goodwill	1,60,000	
Trade Receivable	1,00,000	

Reserves		25,000
Deposit From Public		1,00,000
Partners Current A\c		2,50,000
Non-Current Investment	50,000	
Furniture	1,00,000	
Partners' Capital		2,50,000
Non-Current Liabilities		4,00,000
Non-Current Assets	1,50,000	
Land and Building	450,000	
Office Equipment	1,00,000	
Salaries	1,35,000	
Interest On Loan	5,000	
Other Expenses	43,750	
Advertisement	8,750	
	16,77,500	**16,77,500**

Provision for Tax 30% of Profit; Depreciation 10% on Land and Building, Furniture and Office equipment.

20. Mr. Kiran and Mr. Suraj undertake jointly to construct a building for a newly started joint stock company for a contract price of ₹1,40,000 payable as to ₹1,00,000 by instalment in cash and ₹40,000 in fully paid shares of the company. A joint bank account was opened by Mr. Kiran paying ₹50,000 and Mr. Suraj ₹35,000. They are to share profit and losses in the proportion of 2/3 and 1/3 respectively.

Their transactions were as follows: Paid wages ₹50,000 and bought material ₹90,000; Materials supplied by Mr. Kiran ₹7,000 and Mr. Suraj ₹6,000; Architect's Fees paid by Mr. Kiran ₹4,000.

The contract was completed and the price (cash and shares) duly received. The joint venture was closed by Kiran taking up all the shares of the company at an agreed valuation of ₹36,000 and Suraj taking the stock of materials at an agreed valuation of ₹5,000. Pass necessary journal entries and prepare Joint Venture Account and Joint Bank Account.

PART-D

Answer the following question. It carries TEN marks. **[10 x 1= 10]**

21. AB Manufacturing Company has 3 department concentrating on 3 products Mixer, Grinder and accessories. Mixer and Grinder are sold in the showroom and accessories are kept in the warehouse.

Mr. Vijay the new accountant was informed that the organization had certain common understanding in sharing the expenses of the company. The warehouse pays a rent of ₹1,000 p.m. and showroom rent is distributed in the ratio of 2:3. Other expenses on relevant basis. The purchase amounted to Mixer ₹1,90,000; Grinder ₹1,20,000and accessories ₹50,000. Sales for the year was Mixer ₹3,00,000, Grinder ₹2,20,000 and accessories ₹70,000. Floor space of each department Mixer 3000 sq. ft., Grinder 4000 sq. ft. and accessories 1000 sq. ft.

a. If the rent of the company is ₹70,000. Then what is the amount Mr. Vijay would charge to the respective departments?
b. The company received a discount of ₹25,000. On what basis and how much amount has to be distributed to the departments.
c. The was a inter department transfer from Accessories to Mixer department for ₹15,000 and from Grinder to Accessories department ₹6500. Show how it would reflect in Trading Account.
d. What is the most appropriate basis you would suggest Mr. Vijay to apportion labor welfare expenses.

****