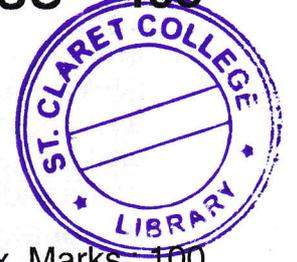




US - 468

14  
II Semester B.Com. Examination, May 2017  
(2012-13 and Onwards) (Repeaters)  
COMMERCE

Paper – 2.3 : Advanced Financial Accounting



Time : 3 Hours

Max. Marks : 100

**Instruction :** Answer should be written **completely** in **English** or in **Kannada**.

SECTION – A

1. Answer **any ten** sub-questions. **Each** sub-question carries **two** marks. (10×2=20)
- Define Accounting Standards.
  - Who is consignor ?
  - What is del credere commission ?
  - Mention any two objectives of branch accounts.
  - State any two objectives of accounting standards board.
  - Chikkaballapur H.O. sends goods to its Gauribidanur branch at profit of 20% on cost. If the Head Office sends goods for 2,40,000, calculate the cost price.
  - From the following information findout fire insurance claim.

Value of stock on the date of fire	1,50,000
Policy amount	1,12,500
Goods saved from fire	37,500
  - What is an account of sales ?
    - What is memorandum joint venture A/c ? Why it is prepared ?
    - State any two differences between joint venture and consignment.
  - Mention two features of independent branch.
    - What is normal loss on consignment and how it is treated ?

SECTION – B

Answer **any four** questions. **Each** question carries **eight** marks. (4×8=32)

2. What are the objectives and functions of accounting standards board ?
3. Fire occurred in the premises of Shravani on 31-10-2016. All the stocks were destroyed except to the extent of ₹ 8,400. From the following details ascertain the claim to be lodged by Shravani.
- Final accounts of Shravani were prepared on 31-12-2015
- |                                     |          |
|-------------------------------------|----------|
| Sundry creditors on 31-12-2015 were | 75,000   |
| Sundry creditors on 31-10-2016 were | 60,000   |
| Stock on 31-12-2015 was             | 45,000   |
| Sales from 01-01-2016 to 30-10-2016 | 4,02,000 |
| Payment to creditors                | 3,90,000 |
- Normal rate of Gross Profit on Sales is 20%.

P.T.O.



4. Manjula of Bangalore sent a consignment of 2000 articles to his agent Kavitha of Chikkaballapur @ ₹ 80 per article. Railway charges, cartage and insurance amounted to 10% of total cost of goods. Kavitha sold 2000 articles @ ₹ 120 each and sent an account sales enclosing a bank draft for the balance after deducting.
- her advance of ₹ 20,000
  - her expenses of ₹ 2,000
  - her commission @ 10% on gross sales.

Pass the necessary journal entries in the books of Manjula of Bangalore.

5. Nethra and Shilpa entered into a joint venture to purchase articles and supply them to factories. They agreed to share profit and loss in the ratio of 5 : 3 and to maintain books of a/c's for the joint venture under memorandum joint venture method.

Nethra and Shilpa purchased articles for ₹ 3,00,000 and ₹ 2,25,000 respectively and sold them for ₹ 3,75,000 and 2,62,500 respectively. All articles were sold and amount is settled by cheque. Selling Exp's incurred by them are ₹ 17,500 and 12,500 respectively. Prepare necessary accounts in the books of Nethra.

6. Calculate the total purchases from the following information related to sundry creditors account.

Particulars	₹
Opening balance	15,000
Cash paid to creditors	4,50,000
Goods returned to creditors	75,000
Bills accepted	4,50,000
Discount allowed by creditors	10,000
Closing balance	30,000
Cash purchases during the period	2,50,000

### SECTION – C

Answer **any three** questions. **Each** question carries **16** marks.

**(3×16=48)**

7. A fire occurred on October 1<sup>st</sup> 2016 and destroyed the stock of a firm. The Business records were saved and the following particulars are available :

Stock @ cost on 01-04-2015	44,300
Stock @ cost on 31-3-2016	37,550
Purchases for the year upto 31-3-2016	1,03,850
Sales for the year 31-03-2016	1,52,500
Purchases from 1-4-2016 to 30-09-2016	37,350
Sales from 1-4-2016 to 30-09-2016	59,000

In valuing the stock on 31-03-2016 ₹ 800 had been written off a particular line of goods which had originally cost ₹ 1,800 and which were sold in June 2016 for ₹ 1,750. Except this transaction the rate of gross profit had remained uniform throughout the value of stock salvaged from the fire was ₹ 5,105.

You are required to calculate the amount of claim.



8. Usha sends 70000 units of a product at ₹ 40 each to Bhagya, on consignment basis and incurs ₹ 16,000 on freight and ₹ 14,500 on agents commission on receipt of goods Bhagya accepts a bill drawn by Usha for 6,00,000 for 3 months and at the end of the accounting year. She sends accounts sales showing the following details.

Sales 60000 units at an average price of ₹ 58 each. Normal loss 2% of the goods consigned. Expenses incurred – unloading charges ₹ 14,000, carriage inwards ₹ 15,000, carriage outwards ₹ 12,500 and godown rent ₹ 13,500.

Bhavya entitled for a commission of 5% on total sales. Final balance to Usha is settled by bank draft.

Pass Journal entries and prepare necessary ledger a/c's in the books of Usha.

9. Balaji and Raghu undertook a joint venture for construction of a college Building. A joint bank a/c was opened in which Balaji deposited ₹ 6,00,000 and Raghu ₹ 1,50,000. The contract price was ₹ 30,00,000. The profit of joint venture was to be shared as 2 : 1 . The details of the transaction are as follows :

Salaries	1,50,000
Wages	5,40,000
Materials supplied by Balaji	1,05,000
Building material purchased	12,00,000
Materials supplied by Raghu	1,05,000
Architect's fees	75,000
Carriage	1,35,000
Machinery purchased	2,40,000

On the completion of the contract the unused materials of the value ₹ 1,20,000 were taken over by Balaji. The Machinery was sold for ₹ 1,80,000. Mr. Raghu was to be paid a remuneration of ₹ 90,000 for his service which is to be charged to the joint venture.

Prepare necessary ledger A/c's.

10. M/s Sriram Traders has a branch at Chikkaballapur. Goods are sent from the head office at cost plus 25%. The branch also purchases goods independently from local parties for which payment is made by the branch itself out of its collections. The branch is advised to deposit cash periodically into head office bank account. From the following particulars prepare Chikkaballapur Branch A/c in the books of head office for the period ending 31<sup>st</sup> March 2016.

Particulars	₹
<b>Balance as @ 1<sup>st</sup> April 2015</b>	
Branch petty cash	40,000
Branch debtors	5,00,000
Branch furniture	8,00,000

**Branch stock**

Goods sent by head office	4,80,000
Direct purchases	3,20,000
Cash sales	9,00,000
Credit sales	26,00,000
Direct purchases	9,00,000
Cash sent to branch for petty expenses	50,000
Returns from customers to branch	60,000
Goods sent to branch at invoice price	12,00,000
Bad debts at the branch	20,000
Discount allowed by branch to debtors	40,000
Cash received by branch from debtors	25,00,000
Branch salary and rent paid by head office	60,000
Petty expenses paid by branch manager	70,000

**Balance as at 31<sup>st</sup> March 2016 :**

Branch petty cash	?
Branch debtors	?
Branch furniture	?

**Branch stock :**

Goods sent by head office	3,60,000
Direct purchases	2,40,000

Provide depreciation on branch furniture @ 10% p.a.