SM – 482

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II Semester B.Com. Examination, May/June 2018
(2012-13 and Onwards) (Repeaters)
COMMERCE
Paper – 2.3 : Advanced Financial Accounting

ST. CLARET COLLEGE LIBRARY

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 **2** marks : **(10×2=20)**

a) What are accounting standards ?

b) Mention any two objectives of Branch Account.

c) State any two difference between consignment and joint venture.

d) What is non recurring expenses ?

e) What are domestic branches ?

f) When is a memorandum joint venture account opened ?

g) From the following information find out fire insurance claim.

	Rs.
Value of stock on the date of fire	2,00,000
Policy amount	1, 50,000
Goods saved from fire	50,000.

h) Who is consignor ?

i) State the method of accounting for joint venture.

j) What is Del credere commission ?

k) State any two objectives of accounting standard board.

l) How do you treat salvaged goods in fire insurance claims ?

P.T.O.

SECTION – B

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

2. Explain briefly any five Indian accounting standards.

3. Journalise the following transactions in the books of Head office.
   a) Goods sent by the head office on 28th December worth Rs. 10,000 to Magadi branch were not received by the branch upto 31st December.
   b) Rs. 2,000 interest on investments collected by Magadi branch on behalf of the head office.
   c) Ramnagara branch has received Rs. 5,000 on account of interest on deposits of head office with their parties.
   d) Head office has received Rs. 1,00,000 as payment from branch debtors.
   e) Branch creditors have been paid by the H.O. to the extent of Rs. 10,000.

4. On 15th June 2015 the premises and the stock in a firm was destroyed by fire, but the accounting records were saved, from which the following particulars were extracted.

	Rs.
Stock on 1-1-2014	1,75,000
Stock on 31-12-2014	1,95,000
Purchases for the year 2014	8,76,000
Sales for the year 2014	11,69,000
Purchases from 1-1-2015 to 15-6-2015	3,84,000
Sales from 1-1-2015 to 15-6-2015	5,54,400
Stock salvaged	81,200

Show the amount of claim.

5. P and V entered into a joint venture sharing profit and losses in the ratio of 3:2. P contributes Rs. 1,20,000 and V Rs. 1,60,000. The amount contributed by them were deposited into a joint bank account. They bought goods for cash Rs. 2,00,000 and from P for Rs. 80,000. They paid for carriage Rs. 15,000, rent Rs. 4,000, insurance Rs. 5,000 and other expenses Rs. 9,000. All the goods were sold for Rs. 3,50,000. Pass necessary journal entries in the books of Jt. venture.

6. From the following information calculate the value of closing stock and normal loss.

   Goods consigned 500 kg @ Rs. 20 per Kg.

   Carriage paid by the consignor Rs. 4,000. consignee sold 300 kg @ Rs. 35 per kg and incurred Rs. 1,000 as unloading expenses. Rs. 2,000 as godown rent and Rs. 1,000 as selling expenses. Normal loss due to leakage is 50 kg.

SECTION – C

Answer **any three** questions. **Each** question carries **16** marks : **(3×16=48)**

7. Fire had broken out in the premises of Ravi Ltd. Co. on 15th July 2016. The following figures were obtained from the records.

Particulars	**Amount in Rs.**
Stock 1st January 2015	1,12,500
Stock on 31st December 2015	2,40,000
Purchases during the year 2015	12,75,000
Sales during the year 2015	15,00,000
Purchases upto the date of fire	6,80,000
Sales upto the date of fire	9,00,000

The stock salvaged was Rs. 60,000. There was a practice in the concern to value the stock at cost less 10%. But all of a sudden they changed the practice and valued the stock on 31st Dec. 2015 at cost plus 20%. The amount of the policy was Rs. 1,20,000.

Calculate the value of stock destroyed by fire and the amount of actual claim.

8. Hero Cycle Company Ltd. Bangalore consigned 750 cycles costing Rs. 4,000 each to Rama distributors of Hassan. The consignor paid Rs. 37,500 towards freight and insurance Rs. 15,000. During transit it was found that 5 cycles were damaged and insurance company settled the claim for Rs. 22,500. Rama distributors received the remaining consigned goods and paid unloading charges Rs. 7,450. They accepted a bill drawn for Rs. 10,00,000 as advance. Rama distributors sold 400 cycles for cash at Rs. 4,000 each and 225 cycles on credit at Rs. 5,000 each. They spent Rs. 21,000 for godown rent 3300 for advertisement and Rs. 15,000 as salesman salary. The consignee entitled to get an ordinary commission at 5% on sales and del credere commission at 2% on credit sales. Rama distributors remit the balance due to consignor by Bank draft.

Prepare :

a) Consignment account b) Consignee A/c

c) Abnormal loss A/c in the books of consignor

9. Rajesh, Satish and Mahesh entered into a joint venture according to which Rajesh and Satish purchase goods and send the same to Mahesh. Mahesh would sell the goods for a commission of 10%. Rajesh and Satish agreed to share the remaining profit in the ratio of 3:2. Rajesh purchased goods for Rs. 1,00,000 and sent them to Mahesh incurring an expenses of Rs. 4,000. Sathish purchased goods for Rs. 60,000 and sent the same to Mahesh by incurring an expenses of Rs. 3,000. Mahesh exported all the goods and realised Rs. 2,00,000 by paying Rs. 1,000/- as insurance premium. He also received Rs. 8,000 as insurance compensation for some goods destroyed.

Mahesh paid the balance of cash to Rajesh and Satish.

Prepare :

a) Memorandum joint venture account b) Co-venturers accounts.

10. From the following particulars, prepare Branch Account in the books of head office.

		Rs.
Stock on hand at branch 1-4-2017		10,000
Debtors at branch 1-4-2017		4,000
Petty cash at branch 1-4-2017		500
Furniture at branch 1-4-2017		2,000
Prepaid insurance 1-4-2017		150
Outstanding salary 1-4-2017		100
Goods sent to branch		80,000
Cash sales by branch		1,30,000
Credit sales by the branch		40,000
Amount collected by branch		35,000
Amount received by the H.O. directly from the branch debtors		2,000
Discount allowed to branch debtors		100
Cash sent to branch for expenses :		
	Rs.	
Rent	2,000	
Salaries	2,400	
Petty cash	1,000	
Insurance premium	600	6,000
(Paid up to 30th June 2018 at the rate of 600 P.A.)		
Goods returned to H.O. from branch		1,000
Goods returned to branch by debtors		2,000
Stock on hand at branch 31-3-2018		5,000
Petty expenses at branch		850

Depreciation on branch furniture is 10% P.A.