



23

CB – 371

II Semester B.Com. (Tourism and Travel Mgt.)
Examination, August/September 2023
(CBCS) (Repeaters) (2020 – 21 and Onwards)
COMMERCE TTM
2.3 : Advanced Financial Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answer completely either in English.

SECTION – A

Answer **any five** of the following. **Each** question carries **two** marks. (5×2=10)

1. a) Mention 2 objectives of Branch Accounting.
- b) Define Consignment.
- c) What do you mean by joint venture ?
- d) Who is Lessee and Lessor in royalty agreement ?
- e) State the meaning of Minimum rent.
- f) Give the meaning of Hire Purchase System.



SECTION – B

Answer **any three** of the following. **Each** question carries **5** marks. (3×5=15)

2. The Anish Minerals Ltd., acquired a lease from a landlord for the purpose of extracting ore. It was agreed that the company should pay Rs. 12 per ton of ore raised subject to a minimum rent of Rs. 36,000 a year and that the shortworking could be recouped in the first 3 years. Prepare table of analysis.

The output raised for the first 4 years was :

Year	Production (Tons)
2019 – 2020	1,750
2020 – 2021	2,750
2021 – 2022	3,750
2022 – 2023	4,750

P.T.O.



3. Calculate the cash price of an asset from the following :
- 3,000 paid at the time of agreement
- 1) 21,600 paid at the time of I year
 - 2) 20,700 paid at the time of II year
 - 3) 19,800 paid at the time of III year
 - 4) 18,900 paid at the time of IV year
- Rate of Interest is 5% p.a.
Rate of depreciation 25% p.a. (straight line method)
4. Mr. Raju consigned 50,000 units costing Rs. 5 each to Mr. Umesh. Mr. Raju incurred Rs. 10,000 for sending the goods. 2,500 units were abnormally destroyed in transit. Mr. Umesh took delivery and paid Rs. 1,500 for bringing the goods to the Godown. Consignee sold 30,000 units at Rs. 10 each. Consignee paid selling expenses of Rs. 10,000. Calculate the value of closing stock.
5. Delhi H.O. of a Company invoices goods to its Guwahati 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 account and all expenses of the branch are directly paid by the H.O. From the following, show branch account in H.O. Books :

Imprest Cash	
1-4-2020	20,000
31-3-2021	18,500
Sundry Debtors on 1-4-2020	2,50,000
Stock on 1-4-2020	
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.	4,50,000
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 31-3-2021	
Directly purchased by Branch	1,20,000
Transferred from H.O. (at invoice price)	1,80,000



SECTION – C

Answer any three of the following. Each question carries 15 marks. (3×15=45)

6. Nischal Mines Company took a lease from a landlord for a period of 10 years from 01-01-2012. On a royalty of Rs. 10 per ton of coal. Raised with a deed rent of Rs. 40,000 and power to recoup shortworkings during the first 4 years of lease.

The annual output was as follows :

Years	Output (Tons)
2012	2,000
2013	3,000
2014	4,000
2015	4,500
2016	5,000

Prepare Dead Rent Account, Royalties Account, Shortworkings Account and Landlord Account in the Books of Nischal Mines Company.

7. Amrutha Company at Panipat has its Branch at Delhi. Goods are invoiced to the Branch at cost plus 25%. Branch has been instructed to deposit daily all cash received by it in the head office, except petty expenses, which are met by the Branch Manager from the petty cash amount sent by the head office from time to time. From the following details, prepare Delhi Branch Account in the books of the head office at Panipat.

Particulars	Amount (Rs.)
Stock at the Branch on 1-4-2022 at invoice price	36,000
Debtors at the Branch on 1-4-2022	21,000
Cash in hand on 1-4-2022	960
Office furniture on 1-4-2022	3,000
Discount allowed to Debtors	700
Goods received from head office at invoice price	1,90,000
Cash sales at Branch	1,20,000
Goods returned to the head office at invoice price	2,500
Goods returned by Debtors	1,100
Cash received from Debtors	72,000
Branch expenses paid by the head office :	
Rent	2,900
Salary	5,600
Printing and stationery	720
Petty expenses paid by the Branch Manager	670
Depreciation is to be provided on Branch furniture at 10% p.a.	



8. A and B entered into a Joint Venture to purchase and sell plots. A advanced Rs. 90,000 and B advanced Rs. 60,000 and they opened a Joint Bank Account with SBI.

The transactions of the Venture were as follows :

1. Purchased the land	90,000
2. Incurred Legal Expenses	8,000
3. Paid Development Expenses	40,000
4. Establishment Expenses paid by A	7,000
5. Other Expenses paid by B	5,000
6. Sales proceeds of half of the land	80,000
7. Sales proceeds of 1/5 th land received by B	50,000
8. Remaining land taken over by A	35,000

Prepare :

- Joint Venture Account
 - Co-venturers Capital Account
 - Joint Bank Account and also Pass Journal entries.
9. On 1st April, 2018 the Dharmasthala Industries bought a machine from TMT Ltd. on hire purchase system. The cash price of the machine was Rs. 37,250 and the payment was to be made as follows : Rs. 10,000 on signing of the agreement and the balance in yearly installment of Rs. 10,000 each on 31st March every year. The TMT Ltd. charges interest at 5% p.a. and Dharmasthala Industries writes off 10% every year on reducing balance system. Pass the necessary journal entries and open the necessary accounts in the books of Dharmasthala.