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END SEMESTER EXAMINATION – MAY 2025

COMMERCE - II SEMESTER BCOM

24BCO23A - ADVANCED FINANCIAL ACCOUNTING

Time: 3 Hours **Max. Marks: 80**

Instructions: *Answer should be written completely in English*

SECTION – A

1. Answer any **SEVEN** questions. Each question carries **TWO** marks. **(7X2=14)**

a) What is the full form of LLP?
b) State one reason why firms convert into LLPs.
c) Why is profit shared between Co-Venturers in a Joint Venture?
d) State one accounting entry for recording expenses in a Joint Venture.
e) What are the purposes of preparing Branch accounts?
f) Calculate the cost of goods sold: Sales Rs 4,20,000, Rate of gross profit on cost is 20%.
g) Give the meaning of Independent departments.
h) Mention the basis of apportionment of the following expenses
Canteen expenses, Labour welfare expenses
i) State two features of IND AS.
j) Expand ICAI and IND AS.

SECTION – B

Answer any **THREE** questions. Each question carries **EIGHT** marks. **(3X8=24)**

2. Prepare a Profit & Loss Account for ABC LLP from the following details:
a) Revenue from Operations: ₹8,00,000
b) Cost of Goods Sold: ₹4,50,000
c) Operating Expenses: ₹1,00,000
d) Interest on Loan: ₹50,000
e) Tax Rate: 30%

3. Mohan and Babu entered into a joint venture to construct a building. They opened a joint bank account into which Mohan deposited Rs.100000 and Babu Rs. 50000. The payments from joint bank account were

Wages	Rs 25000
Cement and other materials	Rs 85000
Administration expense	Rs 18000

Mohan paid Rs 70,000 for purchase of building materials and Babu paid Rs 9000 conveyance charges. The venture was completed and the balance materials valued at Rs 12000 were taken over by Babu. The contract price realized was Rs. 300000. Profits or losses are to be divided in the ratio of 3:2. Prepare joint venture account and co-ventures capital account.

4. Hindustan Company Limited invoices goods to Belagavi Branch at cost. The branch sells goods only on a cash basis. All the cash received is remitted to the Head office account by the branch regularly.

Particular	**Amount Rs.**
Goods sent to branch	40,000
Goods returned to branch	1,800
Stock at branch on 01-01-2021	8,000
Petty cash on 01-01-2021	250
Cash sales	58,700
Cash sent by H.O. for expenses	
Salaries	5,600
Rent	2,500
Petty cash	475
Stock at branch on 31-12-2021	48,000
Petty cash 31-12-2021	185

5. State the basis of allocation of the following expenses in Departmental Accounting.

a. Repairs and Insurance of building
b. Workmen's compensation
c. Bad debts
d. Lighting charge
e. Carriage inwards
f. Canteen expenses
g. Depreciation on machinery
h. Discount allowed

6. Difference between Trading and Non-Trading organizations

SECTION – C

Answer any **THREE** questions. Each question carries **FOURTEEN** marks. **(3X14=42)**

7. X and Y entered into a joint venture to build a multi stored building. They agree to share the profits and losses equally. X contributes plant and machinery worth Rs 40000 and meets registration expenses worth Rs 10000. Y contributes the plot on which the building is to be build valued at Rs 100,000

Other expenses incurred are in Rs

Fuel and electricity	40000
Raw materials	160000
Labour charges	75000
Advertisement expenses	5000

All the expenses were met from the bank account opened for the joint venture. At the end of the venture. X agreed to take the plant and machinery valued at 10000.

Y sold out the multi – stored for Rs 9,00,000. And collected all dues from the buyers, The ventures who had agreed to maintain the venture account in separate sets of books ask you to prepare the joint ventures account, Joint bank account and ventures capital account.

8. Nirmala stores, Bengaluru is having its branch at Kolar. Goods are supplied to the branch at cost price. Branch has been instructed to send all cash daily to the head office. All the expenses are paid by the head office except petty expenses which are met by the branch manager. From the following particulars prepare branch accounts in the books Nirmala Stores, Bengaluru.

Particulars	Rs	Rs
Stock on 1.4.2023		15000
Sundry debtors on 1.4.2023		9000
Cash in hand on 1.4.2023		400
Office furniture on 1.4.2023		2400
Goods sent to branch		85000
Goods returned to head office		6000
Goods returned by debtors		480
Cash received from debtors		30000
Cash sales		50000
Credit sales		30000
Discount allowed to debtors		600
Expenses paid by head office		
Rent	1200	
Salary	2400	
Printing stationery	300	3900
Petty expenses paid by branch manager		280
Depreciation is to be provided on branch furniture at 10% p.a.		-
Stock at Branch on 31.3.2024		16000

9. From the following particulars relating to Tumkur branch for the year ending 31st march, 2024. Prepare a branch account in the books of the head office.

Particulars	Rs
Stock at branch on 1.4.2023	40000
Branch debtors on 1.4.2023	15000
Petty cash at branch on 1.4.2023	2000
Furniture at branch on 1.4.2023	12000
Prepaid insurance on 1.4.2023	2300
Salaries outstanding on 1.4.2023	4100
Goods sent to branch	330000
Cash sales during the year	280000
Credit sales during the year	183000
Cash received from debtors	135000
Cash paid by the branch debtors direct to head office	22000

Discount allowed to debtors	2300
Cash sent to branch for expenses	
Rent	15000
Salaries	10800
Petty Cash	4000
Insurance (up to 30th June 2024)	2600
Goods returned by branch	5000
Goods returned by Debtors	7200
Stock on 31st March 2024	36000
Petty expenses paid by Branch	3850
Provide depreciation on furniture at 10% p.a	-

10. From the following particulars prepare Trading and Profit and Loss Account in the books a trader.

Particulars	**Dept. A**	**Dept. B**	**Total**
Stock on 1-4-2023	17,400	14,700	
Purchases	35,000	30,000	
Sales	60,000	40,000	
Wages	8,200	2,700	
Rent, Taxes and Insurance			9,390
Sundry expenses			3,600
Salaries			3,000
Lighting and heating			2,100
Discount allowed			2,220
Discount received			650
Advertisement			3,680
Carriage inwards			2,340
Furniture			3,000
Plant and machinery			21,000

Additional information:

a) Internal transfer of goods from Department A to Department B at a cost price of Rs 420.
b) Rent, taxes and insurance, sundry expenses, Lighting and heating, Salaries and carriage inwards to be distributed in the ratio of 2/3 & 1/3 in A and B.
c) Advertising to be apportioned equally.
d) Discount allowed and received to be apportioned as per sales and purchases ignoring transfers.
e) Depreciation @ 10% p.a. on Furniture and Plant and Machinery to be charged: to A Department and to B Department in the ratio of 3: 1.
f) Stock on 31-3-2024 were Department A Rs 16,740, Department B Rs 12,050.

11. Explain the meaning, features and importance of Indian Accounting Standards. List out IND-AS Issued by ICAI & MCA.