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END SEMESTER EXAMINATION – APRIL/MAY 2026

COMMERCE – II SEMESTER B.COM

25BCO23: ADVANCED FINANCIAL ACCOUNTING

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

Instruction: *Answer should be written completely in English*

SECTION – A

1. Answer any **SEVEN** questions. Each question carries **TWO** marks. **(7X2=14)**
   a) Mention two merits of an LLP.
   b) Name the Act governing LLPs in India.
   c) What are the methods of ascertaining profit or loss under Single-entry System?
   d) Define Single entry system.
   e) Define dependent branches.
   f) What is stock reserve?
   g) What is meant by currency translation in Foreign Branch Accounts?
   h) What do you mean by Historical Rate?
   i) What is departmental accounting?
   j) Give the meaning of independent departments.

SECTION – B

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

2. From the following information of a limited liability partnership, prepare a Statement of Profit and Loss for the year ending 31/08/2024. Partner's share profit equally (X & Y are partners).

Particulars	**Amount (₹)**
Sales	3,00,000
Employee benefit expenses	25,000
Depreciation	30,000
Tax during the year	20,000
Cost of material	40,000
Purchases	50,000
Other income	70,000
Opening stock	30,000
Closing stock	40,000
Bad debts	5,000
Loss on sale of machinery	8,000
Conveyance	6,000
Insurance	5,000

3. From the following information calculate total purchases and total sales:
   - Opening Debtors: Rs. 28,000
   - Closing Debtors: Rs. 20,000
   - Opening Creditors: Rs. 16,000
   - Closing Creditors: Rs. 19,000
   - Cash received from Debtors: Rs. 12,800
   - Cash paid to Creditors: Rs. 4,000
   - Discount earned: Rs. 400
   - Discount allowed: Rs. 800
   - B/R received from Debtors: Rs. 5,000
   - B/P issued to Creditors: Rs. 11,600
   - Bad debts written off: Rs. 600

4. X Ltd. with its H.O. in Bombay has a branch at Bangalore. You are given the following particulars relating to Bangalore branch for the year ended 31-03-2024

Particular	**Rs.**
Stock 01-04-2024	48,900
Petty cash at branch on 01-04-2024	165
Goods sent to branch	68,400
Goods returned by the branch	5,850
Cash sales at branch	1,07,850
Cash Sent to branch for expenses: • Salaries- 19,200 • Rent -4,500 • Petty cash -3,900	27,600
Stock at branch on 31-03-2025	55,650
Petty cash at branch on 31-03-2025	120

Prepare branch account in the books of H.O.

5. PQR Ltd. operates a branch in Japan. Convert the trial balance. Trial Balance (Amt in JPY)

Particulars	**Amount(JPY)**
Opening Stock	7,000
Purchases	16,000
Sales	28,000
Expenses	3,500
Fixed Assets	11,000
Debtors	4,500
Creditors	6,500
Cash	2,800

Rates: Opening Stock @ ₹0.55, Purchases & Expenses @ ₹0.58, Sales @ ₹0.60, Fixed Assets @ ₹0.50 and Closing Rate @ ₹0.62

6. State the basis of allocation of the following expenses in Departmental Accounting.
   a) Lighting charges
   b) Employees insurance premium
   c) Discount allowed
   d) Canteen expenses
   e) Repairs and Insurance of building
   f) Recreation expenses.
   g) Commission on sales
   h) workmen's compensation

SECTION – C

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

7. Mr. Guru does not maintain proper books of accounts. From the following information prepare Trading Account, Profit and Loss Account for the year ended 31-03-2018 and the Balance Sheet as on that date.

Assets and Liabilities

Particulars	01-04-2017 (₹)	31-03-2018 (₹)
Debtors	17,000	24,000
Stock	9,000	12,000
Furniture	5,000	5,000
Creditors	6,000	4,500
Cash in hand	4,000	?

Other verified factors

Cash collected from debtors – ₹60,000
Cash paid to creditors – ₹42,000
Salaries – ₹10,000
Rent – ₹3,000
Office expenses – ₹2,000
Drawings – ₹4,000.
Cash sales – ₹3,000
Cash purchases – ₹6,000
Discount received – ₹1,000
Discount allowed – ₹2,000
Return inward – ₹1,000
Bad debts – ₹500

8. Shining shoe stores invoices goods to its Chennai branch at 20% profit on sales price. The branch sends cash daily to the head office, and all expenses are paid by the head office, except for petty expenses which are met by the branch manager. From the following particulars, prepare the branch account (with necessary workings) in the books of shining shoe stores

Particulars	Amount
Stock on 1.4.2023 (invoice price)	15000
Debtors on 1.4.2023	9000
Cash on 1.4.2023	400
Furniture on 1.4.2023	1200
Goods received from H.O. (invoice price)	80000
Goods return to H.O. (invoice price)	1000
Goods return by debtors	480
Cash received from debtors	30000
Cash sales	50000
Total sales	80000
Discount allowed to debtors	300
Expenses paid by H.O. Rent-1200 Salary-2400 Stationery-300	
Petty expenses paid by branch	280
Stock on 31.3.2014 (invoice price)	14000
Depreciation on furniture 10%p.a.	

9.From the following particulars, prepare the Mysore branch account in the books of Bengaluru H.O.

Particulars	Amount
Stock on hand at branch 1.4.2023	10000
Debtors at branch 1.4.2023	4000
Petty cash at branch 1.4.2023	500
Furniture at branch 1.4.2023	2000
Prepaid insurances 1.4.2023	150
Outstanding salary 1.4.2023	100
Goods sent to branch	80000
Cash sales by branch	130000
Credit sales by branch	40000
Amount collected from debtors	37000
Discount allowed to branch debtors	100
Cash sent to branch for expenses-	
For rent	2000
For salaries	2400
For petty expenses	1000
For insurances premium (Paid upto 30th june 2024 at the rate of Rs 600 p.a.)	600
Goods returned to H.O. from branch	1000
Goods returned to branch by debtors	2000
Stock on hand at branch on 31.3.2024	5000
Petty expenses at branch	850

Depreciation on branch furniture is 10% P.A

10. Blue Wave Industries Ltd. has a branch at Toronto (Canada). The branch is a nonintegral foreign operation. Trial Balance of the Branch as on 31 March 2025 (in CAD $)

Particulars	Debit	Credit
Office Equipment	68,000	-
Furniture and Fixtures	9,500	-
Opening Stock	38,200	-
Purchases	1,36,800	-
Sales	-	2,28,400
Goods Sent from Head Office	52,000	-
Salaries	12,700	-
Carriage Inwards	2,900	-
Rates and Taxes	3,800	-
Insurance	2,400	-
Trade Expenses	4,700	-
Sundry Debtors	19,600	-
Sundry Creditors	-	17,200
Head Office Account	-	76,500
Cash at Bank	8,900	-
Cash in Hand	1,600	-

Adjustments:

- Depreciate Office Equipment @ 12% p.a. and Furniture & Fixtures @ 10% p.a. on WDV.
- Goods were sent by Head Office to the branch for ₹ 34,80,000.
- Closing stock on 31 March 2025 was $41,500.
- Head Office Account shows a balance of ₹ 45,30,000 due from the branch.
- There were no items in transit either at the beginning or at the end of the year.
- Exchange rates: Opening ₹ 61 per $, Average ₹ 64 per $, Closing ₹ 68 per $.

Required: Prepare the Rupee Trial Balance, Trading and Profit & Loss Account and the Balance Sheet of the Branch as on that date as it would appear in the books of the Indian Company.

11. A firm has two departments X and Y. from the following figures, prepare the departmental trading and profit and loss accounts and balance sheet for the year ended 31st march 2015:

Debits	**Rs**	**Credits**	**Rs**
Opening stock: X	15,000	Sales: X	1,00,000
Opening stock: Y	20,000	Sales: Y	60,000
Carriage: inwards	3,000	Sundry creditors	15,000
Carriage: outwards	5,000	Capital	30,000
Advertising	10,000	Loan	30,000
Salaries: X	6,000	Transfer to X	5,000
Salaries: Y	7,000		
General salaries	12,000		
Rent and rates	9,000		
Lighting	900		
Fixtures	15,000		
Sundry debtors	20,000		
Bad debts	1,600		
Purchases: X	60,000		
Purchases: Y	40,000		
Bank balance	6,500		
Bank interest	4,000		
Transfer from Y	5,000		
Total	**2,40,000**	**Total**	**2,40,000**

Additional information:

- Area occupied by the two departments is in the Ratio of 2:1.
- General salaries are to be divided in the ratio of 5:3.
- The closing stocks were: X Rs 14,000 and Y Rs 15,000.
- Depreciation of fixtures is 10% to be allocated in the ratio of space occupied.