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END SEMESTER EXAMINATION – MAY 2025

COMMERCE - II SEMESTER BCOM (TOURISM AND TRAVEL)

24BCO23B - 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) What is the minimum number of partners required to form an LLP?
c) State two objectives of maintaining branch accounts.
d) How does a Joint Venture end?
e) Give the meaning of a Foreign branch.
f) Differentiate between Cost Price and Invoice Price.
g) Mention the basis of apportionment of the following expenses:
Rent, Depreciation on Machinery
h) Mention any two objectives of Departmental accounting.
i) Who issues IND AS in India?
j) Differentiate between Trading and Non-Trading Organizations.

SECTION – B

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

2. XYZ LLP provides the following details. Prepare a simple Profit & Loss Account:

a) Revenue from operation : ₹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 @ 30%

3. Harish and Rajesh entered a joint venture sharing profits and losses in the ratio of 3:2. Harish contributed Rs 60000 and Rajesh Rs 80000.the amounts contributed by them were deposited into a joint bank account. They bought goods for cash Rs 100000 and from Harish for Rs 40000. They paid for carriage Rs 7000,Rent Rs 2000, Insurance Rs 3000 and other expenses Rs 4000 from joint bank account. All the goods were sold for Rs 180000. 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 01-01-2013	8,000
Petty cash on 01-01-2013	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 31-12-2013	48,000
Petty cash 31-12-2013	185

5. 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

6. From the following information, prepare an Income and Expenditure Account.

Particulars	Amount (₹)
Subscriptions received	25,000
Salaries paid	10,000
Stationery expenses	2,000
Rent paid	5,000
Donation (capital receipt)	15,000

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, asks you to prepare the joint ventures account, Joint bank account and ventures capital account.

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

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	35000
Amount received by the H.O. Directly from the branch debtors	2000
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 up to 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	

9. 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	**Rs**
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 31.3.2024 (invoice price)		14000
Depreciation on furniture 10% p.a		

10. From the following particulars prepare Departmental Trading and Profit and Loss Account for the year ending 31st March 2024

Particulars	**Dept A(Rs.)**	**Dept B (Rs.)**	**Total (Rs.)**
Opening stock	14000	12000	26000
Purchases	75000	70000	145000
Sales	100000	80000	180000
Return Outwards	1100	800	1900
Salaries	9000	8500	17500
General salaries			11600
Rent and Rates			6000
Advertising			8100
Insurance			1000
Carriage Inwards			5400
Discount Allowed			1800
Discount Earned			1540
Accountancy Services			2860
Carriage Outwards			1450

Additional information:

a) General Salaries are to be allotted Equally.
b) The Area Occupied is in the ratio of 2:3.
c) The insurance premium and accountancy Services cannot be allocated conveniently to any department.
d) Closing stock of Dept A was Rs. 16000 and Dept B Rs. 17000.

11. Explain the format and preparation procedure of Income and Expenditure Account with suitable examples. Also highlight how it differs from Profit and Loss Account.