



K23U 3532

Reg. No. : .....

Name : .....

III Semester B.Com. Degree (C.B.C.S.S. – O.B.E. – Regular/  
Supplementary/Improvement) Examination, November 2023  
(2019 to 2022 Admissions)  
Core Course  
3B03COM : ADVANCED ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries 1 mark. (6×1=6)

1. Define "Trial Balance" in accounting.
2. Briefly explain the purpose of the Manufacturing Account.
3. What do you mean by recoupment ?
4. Explain the term "Closing Entries" in accounting.
5. What is a Single-Entry System ?
6. What do you mean by Actual Cash Price ?
7. What do you mean by 'minimum rent' in royalty accounts ?
8. What is Interest Suspense Method in Hire Purchase Accounting ?

PART – B

Answer **any six** questions from the following. **Each** question carries 3 marks. (6×3=18)

9. Explain the concept of a sole trading concern and provide two advantages and two disadvantages of operating as a Sole Trader.
10. What are branch accounts in accounting and why are they maintained ? Provide an example of a situation where branch accounts are useful.
11. Explain the concept of consignment accounts in the context of goods sent on consignment. What is the role of a consignor and a consignee in this arrangement ?
12. Explain the difference between the gross profit and net profit reported in a profit and loss account.

P.T.O.



13. X purchases a truck from B, whose cash price is Rs. 60,000 on 1<sup>st</sup> Jan. 2016. Rs. 20,000 is paid at the signing of the contract and the balance is to be paid in three equal annual installments of Rs. 20,000 each. The rate of interest being 22% p.a., calculate the amount of interest included in each installment.
14. Write the accounting entries that has to be passed in the books of the lessee, for the following transactions, considering entries without a minimum rent account.
- On royalty becoming due
  - When royalty is paid
  - For transfer of royalty.
15. Goods costing Rs. 6,30,000 were sent out to consignee at a profit of 20% on invoice price. Consignee sold 2/3<sup>rd</sup> goods for Rs. 6,00,000. Consignee was entitled to an ordinary commission of 3 percent on sales at invoice price and over-riding commission of 20% of any surplus realized. Calculate the amount of consignee's commission for the above-mentioned transactions.
16. Edge Infotech Ltd. is a company that has its branch office in Delhi, India and the following is the transaction between its branch and the head office during the period January 2018 to December 2019. Assuming that the head office sends goods to the branch at the cost price, prepare the Delhi Branch Account, following the Branch Accounting principles.

Opening stock at Delhi Branch as on January 1, 2018	= 1,000
Debtors as on January 1, 2018	= 2,000
Goods sent to Branch by Head Office	= 10,000
Goods returned by Branch to Head Office	= 50
Cash sales	= 5,000
Credit sales	= 8,000
Cash collected from debtors	= 7,000
Salaries and wages	= 60
Rent	= 150
Sundry expenses	= 40
Closing stock as on December 31, 2018	= 1,500
Debtors as on December 31, 2018	= 1,000





## PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks. (2×8=16)

17. From the following Trial Balance of Faris Ali Qureshi and Bros. and additional information, prepare Trading and Profit and Loss Account and Balance Sheet for the year ended June 30<sup>th</sup>, 2019.

Particular	Dr. (Rs.)	Cr. (Rs.)	Particular	Dr. (Rs.)	Cr. (Rs.)
Capital	–	1,00,000	Transportation out	7,000	–
Furniture	20,000	–	Creditors	–	1,20,000
Purchases	1,50,000	–	Provision for bad debts	–	6,000
Debtors	2,00,000	–	Printing and stationery	8,000	–
Interest earned	–	4,000	Insurance expense	12,000	–
Salaries	30,000	–	Opening stock	50,000	–
Sales	–	3,21,000	Office expenses	12,000	–
Purchases returns	–	5,000	Bank overdraft	–	2,000
Wages	20,000	–	Drawing	24,000	–
Rent	15,000	–			
Sales return	10,000	–	<b>Total</b>	<b>5,58,000</b>	<b>5,58,000</b>

**Additional Information :**

- 1) Depreciation to furniture by 10% under Written Down Method (WDM).
  - 2) A provision for doubtful debts is to be created to the extent of 5% on sundry debtors.
  - 3) Salaries for the month of June, 2019 amounting to Rs. 3,000 were unpaid which must be provided for. However, salaries included Rs. 2,000 paid in advance. Office expenses outstanding Rs. 8,000.
  - 4) Insurance amounting to Rs. 2,000 is prepaid.
  - 5) Stock use for private purpose Rs. 6,000 and closing stock Rs. 60,000.
18. Accounting helps firms to understand the exact status of the business. Do you agree ? Justify your answer by explaining the characteristics and merits of accounting.
19. Compare and contrast Hire Purchase and installment systems, highlighting the characters, merits and demerits.