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K19U 2560

Reg. No. : .....

Name : .....

III Semester B.Com Degree (CBCSS- Reg./Sup./Imp.)

Examination, November - 2019

(2014 Admn. Onwards)

CORE COURSE

3B05 COM : ADVANCED ACCOUNTING

Time : 3 Hours

Max. Marks :40

**PART - A**Answer **All** questions. Each carries  $\frac{1}{2}$  mark.(4 $\times$  $\frac{1}{2}$ =2)

1. The initial amount paid while signing a hire purchase agreement is known as \_\_\_\_\_.
2. The lump -sum payment by lessee to lessor in addition to royalty is called \_\_\_\_\_.
3. Under single entry system, capital at the beginning can be found out by preparing \_\_\_\_\_.
4. Sales ledger adjustment account is opened in \_\_\_\_\_.

**PART - B**Answer any **Four** questions. Each carries **One** mark.(4 $\times$ 1=4)

5. What do you mean by sectional balancing?
6. When do you prepare a hire purchase trading Account?
7. Write a note on sublease.
8. What is single entry book keeping?
9. Who is a hirer?
10. What do you mean by partial repossession?

P.T.O.



## PART - C

Answer any **Six** questions (in not exceeding one page). Each carries **Three** marks. (6×3=18)

11. Explain finance lease.
12. Explain the objectives of branch accounting.
13. Discuss the defects of single entry book keeping.
14. Distinguish between hire purchase system and instalment purchase system.
15. Give a specimen hire purchase trading Account.
16. Find out the value of opening stock from the following.

Purchases during		Cash sales	1,70,000
the year	2,80,000	Wages paid	7,000
Credit sales	2,50,000	Rate of gross profit	20% on sales
Closing stock	28,000		

17. Mr. Mohan wrote a book and got it published with Kalyani Publishers on the terms that royalties will be paid at Rs. 50 per copy sold subject to a minimum rent of Rs. 1,50,000 with a right to recoupment of short workings over the first three years of the royalty agreement. From the following, prepare Royalty Account and Minimum rent account.

Year	Copies sold
2014	1900
2015	2900
2016	3800
2017	4900





18. On 1.1.2010 A Ltd. acquired a machine on hire purchase, the cash price being Rs. 25,800. The purchase was financed by X financiers to whom down payment of Rs. 4,000 was paid on 1.1.2010, and instalments of Rs. 8,000 payable on 31 December 2010, 2011 and 2012. The rate of interest was 5% p.a. On 1.1.2012, the machine was sold for Rs. 17,200 and the debt of the financier was discharged. Show the financiers account in the books of A Ltd.

**PART - D**

Answer any **Two** questions. Each carries **Eight** marks. (2×8=16)

19. Mr. Suresh, following single entry book keeping, furnishes the following information as on 31.3.2019.

**Summary of Cash Book**

	Rs.		Rs.
To Balance at bank	4,350	By Drawings	15,520
To Sundry debtors	38,400	By Trade creditors	27,100
To Bills receivable		By Bills payable	9,300
realised	12,000	By Wages	32,000
To Commission received	1,500	By Salaries	16,500
To Cash sales	48,600	By Rent and taxes	4,400
To Balance c/d (overdraft)	3,350	By Insurance	800
		By Carriage	1,250
		By Advertising	1,330
	<b><u>108,200</u></b>		<b><u>108,200</u></b>

P.T.O.



Other particulars are :

	01.04.2018	31.03.2019
	Rs.	Rs.
Stock in hand	18,700	23,400
Debtors	12,000	14,000
Creditors	9,000	1,500
Bills receivable	4,000	5,000
Bills payable	1,000	1,200
Furniture	600	600
Machinery	12,000	12,000

A provision of Rs. 1450 is needed for doubtful debts and depreciation @ 5% is to be charged on Machinery and furniture. Rs. 3000 is outstanding for wages and Rs. 1200 for salaries. insurance has been prepaid Rs. 250 and legal expenses outstanding are Rs. 700.

You are required to prepare the Trading, profit and loss account and Balance sheet for the year ending 31.3.2019.



20. P Ltd. maintains Debtors ledger, Creditors ledger and General ledger under self balancing system. The following information is provided:

	Dr.	Cr.
Debtors' balance(1-4-18)	20,000	6,000
Creditors' balance	4,600	16,800
	Rs.	Rs.
Transactions during		Bills dishonoured 2000
the year were:		Bills discounted 1500
Purchases		Bills endorsed 4000
(including cash Rs. 4,500)	39,000	Bills endorsed dishonoured 1000
Sales (including		Bad debts 800
cash Rs. 5000)	77,000	Provision for bad debts 2,500
Cash paid to creditors	21,000	Transfer from debtor's ledger 500
Collection from debtors	62,000	Transfer to creditor's ledger 500
Discount allowed	260	Debtors balances on 31.3.19(cr) 300
Discount received	320	Creditors balance on 31.3.19(Dr) 200
Returns inward	2,400	
Returns outward	1,600	
Bills payable accepted	4,000	
Bills receivable drawn	7,500	

You are required to prepare necessary adjustment Accounts in each of the ledgers.

P.T.O.





21. Vasan of Chennai has a branch at calcutta. Goods are invoiced from the head office at cost plus 33  $\frac{1}{3}$ %. Branch is allowed to make sales at invoice price only. Expenses of the branch except petty expenses are paid directly by head office. The following particulars are given.

		Rs.
Debtors on 1.1.2017		10,000
Petty cash on 1.1.2017 with the branch		1,000
Stock on 1.1.2017 at invoice price		8,000
Goods invoiced by the head office		88,000
Furniture on 1.1.2017		2,000
Sales: Cash	50,000	
Credit	<u>36,000</u>	<b>86,000</b>
Sales returns by branch debtors		800
Goods damaged at invoice price		1000
(Insurance claim received Rs. 500)		
Goods returned by branch to head office		2000
Cash remitted by branch to head office		70,500
Branch expenses:		
Freight and carriage		500
Rent		1000



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Salary	3900
Bad debts	50
Depreciation on furniture	80
Advertisement for the branch	200
Petty expenses	1500

You are required to prepare necessary accounts to ascertain the net profits of the branch under debtors system.

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