

(For those admitted in June 2021 and later)

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
III	PART - III	CORE	U21CO305	ADVANCED FINANCIAL ACCOUNTING

Maximum: 75 Marks

1

CO5	K1	9.	What is the term for a partner who contributes capital but does not take part in business operations? a) Active partner c) Nominal partner b) Dormant partner d) Secret partner																					
CO5	K2	10.	In the royalty agreement the minimum rent is. a) The lowest amount payable even if production is Zero b) A refundable deposit c) Paid only in profitable years d) Not a part of the royalty account																					
Course Outcome	Bloom's K-level	Q. No.	SECTION – B (5 X 5 = 25 Marks) Answer <u>ALL</u> Questions choosing either (a) or (b)																					
CO1	K3	11a.	State the difference between branch accounts and departmental accounts. (OR)																					
CO1	K3	11b.	Describe the features of branch and departmental accounts.																					
CO2	K3	12a.	Discuss the difference between hire purchase system and instalment system. (OR)																					
CO2	K3	12b.	On 1.1.86 X purchased machinery on hire purchase system. The payment is to be made Rs 4000 down (on signing of the contract) and Rs 4000 annually for three years .The cash price of the machinery is Rs 14900 and the rate of interest is 5% .Calculate the interest in each year instalment.																					
CO3	K4	13a.	Describe a short notes on royalty, minimum rent, short workings,sub-lease, strike. (OR)																					
CO3	K4	13b.	A company leased a colliery on 1.1.92 at a minimum rent of Rs 20000 merging into a royalty of Rs 1.50 per tonne with power to recoup short workings over the first four years of the lease. The output of the colliery for the first four years was 9000 tonnes, 12000 tonnes, 16000 tonnes, and 20000 tonnes, respectively. Give journal entries and ledger accounts for four years in the books of lessee and lessor.																					
CO4	K4	14a.	Evaluate the types of contract. (OR)																					
CO4	K4	14b.	Enumerate the difference between sacrificing ratio and gaining ratio.																					
CO5	K5	15a.	Assess the difference between revaluation account and realisation account. (OR)																					
CO5	K5	15b.	Show how the following items will appear in the capital accounts of the partners, Babu and Gopu when their capitals are fluctuating <table border="1"><thead><tr><th>Particulars</th><th>Babu (Rs)</th><th>Gopu (Rs)</th></tr></thead><tbody><tr><td>Capital on 1.1.87</td><td>800000</td><td>700000</td></tr><tr><td>Drawings</td><td>160000</td><td>140000</td></tr><tr><td>Interest at 5% on Drawing</td><td>4000</td><td>2000</td></tr><tr><td>Shares of profits</td><td>84000</td><td>66000</td></tr><tr><td>Interest on capital 6%</td><td>48000</td><td>42000</td></tr><tr><td>Salary</td><td>72000</td><td>Nil</td></tr></tbody></table>	Particulars	Babu (Rs)	Gopu (Rs)	Capital on 1.1.87	800000	700000	Drawings	160000	140000	Interest at 5% on Drawing	4000	2000	Shares of profits	84000	66000	Interest on capital 6%	48000	42000	Salary	72000	Nil
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Course Outcome	Bloom's K-level	Q. No.	SECTION – C (5 X 8 = 40 Marks) Answer ALL Questions choosing either (a) or (b)
CO1	K3	16a.	Explain the features of different types of branches and the type of accounting followed in them. (OR)

CO1	K3	16b.	<p>Loyal shoe company opened a branch at madras 1.1.89 .from the following particulars the Madras Branch Account for the years 1989 and 1990.</p> <table><tr><td>Particulars</td><td>1989(Rs)</td><td>1990 (Rs)</td></tr><tr><td>Goods sent to Branch</td><td>15000</td><td>45000</td></tr><tr><td>Cash sent to Branch for Rent</td><td>1800</td><td>1800</td></tr><tr><td>Salaries</td><td>3000</td><td>5000</td></tr><tr><td>Other expenses</td><td>1200</td><td>1600</td></tr><tr><td>Cash received from the branch</td><td>24000</td><td>60000</td></tr><tr><td>Stock on 31st Dec</td><td>2300</td><td>5800</td></tr><tr><td>Petty cash in hand on 31st Dec</td><td>40</td><td>30</td></tr></table>	Particulars	1989(Rs)	1990 (Rs)	Goods sent to Branch	15000	45000	Cash sent to Branch for Rent	1800	1800	Salaries	3000	5000	Other expenses	1200	1600	Cash received from the branch	24000	60000	Stock on 31 st Dec	2300	5800	Petty cash in hand on 31 st Dec	40	30				
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CO2	K4	17a.	<p>Mr. X Purchased a machine on hire purchase system Rs 3000 being paid on delivery and the balance in five instalments of Rs 6000 each, payable annually on 31st December. The cash price of the machine was Rs 30000.calculate the amount of interest for each year.</p> <p style="text-align: center;">(OR)</p>																												
CO2	K4	17b.	<p>X purchased a typewriter on hire purchase system. As per terms ,he is required to pay Rs 800 down, Rs 400 at the end of the first year Rs300 at the end of the second year and Rs700 at the end of the third year .Interest is charged at 5% P.a. Calculate the total cash price of the typewriter and the amount of interest payable on each instalment.</p>																												
CO3	K4	18a.	<p>From the following information prepare Crop Account.</p> <table><tr><td>Opening stock of Grain</td><td>3000</td></tr><tr><td>Purchase of Seeds</td><td>1500</td></tr><tr><td>Sale of grain</td><td>15000</td></tr><tr><td>Grain distributed as wages</td><td>2000</td></tr><tr><td>Wages paid in cash</td><td>3000</td></tr><tr><td>Grain consumed by proprietor</td><td>2000</td></tr><tr><td>Closing stock of grain</td><td>6000</td></tr></table> <p style="text-align: center;">(OR)</p>	Opening stock of Grain	3000	Purchase of Seeds	1500	Sale of grain	15000	Grain distributed as wages	2000	Wages paid in cash	3000	Grain consumed by proprietor	2000	Closing stock of grain	6000														
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CO4	K5	19a.	<p>A firms earns Rs 120000 as its annual profits the rate of normal profit being 10%.The asset of the firm amount to Rs 1440000 and liabilities Rs 480000. Find out the value of goodwill by capitalisation method.</p> <p style="text-align: center;">(OR)</p>																												
CO4	K5	19b.	<p>A firm earned net profits during the last three years as follows I year – Rs 36,000 II year – Rs 40,000 III year – Rs 44,000 The capital investment of the firm is Rs 1,20,000 .A fair return on the capital having regard to the risk involved is 10%.calculate the value of the goodwill</p>																												

			on the basis of three years purchase of super profits.																																								
CO5	K5	20a.	<p>Sundar, Sankar and Sharma are partners sharing profits and losses as to Sundar 1/2,Sankar 1/3 and Sharma 1/6.On 31st December 1990, their capital accounts, after including the profit for the year ended 31st December 1990, and dealings with drawings stood at Rs.13,000, Rs.10,000 and Rs. 5,750 respectively.</p> <p>Subsequently they found out that interest on capital at 5% per annum and interest on drawings at the same rate had been omitted. The profit for the year in arriving at the above figures of Capitals amounted to Rs.9, 000. The drawings of Sundar, Sankar and Sharma during the year had been Rs. 1,500, Rs. 500 and Rs. 750 respectively. The interest on drawings works out to be Rs. 35 for Sundar, Rs.20 for Sankar and Rs.20 for Sharma.</p> <p>Give the necessary entries for rectifying the above omissions. Also prepare Profit & Loss appropriation A/c and the revised capital accounts of Sundar, Sankar and Sharma.</p> <p style="text-align: center;">(OR)</p>																																								
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