

**BACHELOR OF COMMERCE [HONS]  
FIFTH SEMESTER  
ADVANCED FINANCIAL ACCOUNTING  
BCM- 504B2**

**SET  
A**

**[USE OMR SHEET FOR OBJECTIVE PART]**

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

**(Objective)**

Marks: 20

*Choose the correct answer from the following:*

*1 × 20 = 20*

- In hire purchase system cash price plus interest is known as
  - Book value of assets
  - Capital value of assets
  - Hire purchase price of assets
  - Hire purchase charges
- Under installment payment system ownership of goods
  - Is transfer at the time of agreement
  - Is transfer at the time of last installment
  - Is not transfer
  - None of the above
- A pro-forma invoice is sent by:
  - Consignee to consignor
  - Consignor to consignee
  - Debtors to consignee
  - Debtors to consignor
- Commission provided by the consignor to the consignee to cover bad debt is known as
  - Ordinary commission
  - Del credere Commission
  - Over-riding commission
  - Special commission
- If, at the time of admission, some profit and loss account balance appears in the books, it will be transferred to-
  - Profit and loss adjustment A/c
  - Revaluation A/c
  - Old partner's capital account
  - All partner's capital accounts
- If, at the time of admission, there is some unrecorded liability, it will be-
  - Credited to revaluation account
  - Debited to revaluation A/c
  - Debited to partner's capital A/c
  - Credited to partners' capital A/c
- Retiring partner is compensated for parting with the firm's future profits in favour of remaining partners. The remaining partners contribute to such compensation amount in
  - Gaining Ratio
  - Capital Ratio
  - Sacrificing Ratio
  - Profit-Sharing Ratio

8. In departmental accounting, Advertisement expenses are apportioned on the basis of:
- |                  |                       |
|------------------|-----------------------|
| a. Net Sales     | b. Goods Manufactured |
| c. Net Purchases | d. Value of Plant     |
9. In Departmental Accounting rent, rates and taxes are apportioned on the basis of
- |                        |              |
|------------------------|--------------|
| a. Area                | b. Sales     |
| c. Number of employees | d. Purchases |
10. On dissolution of a firm, out of the proceeds received from the sale of assets will be paid first of all to ....
- |                                 |                           |
|---------------------------------|---------------------------|
| a. Partner's Capital            | b. Partner's Loan to Firm |
| c. Partner's additional capital | d. Outside Creditors      |
11. The Accounts of the Union Government shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe as given in Article .....
- |        |        |
|--------|--------|
| a. 148 | b. 149 |
| c. 151 | d. 150 |
12. Who shall cause Accounts of the Union Government to be laid before each House of Parliament?
- |                     |                       |
|---------------------|-----------------------|
| a. Finance Minister | b. Union Cabinet      |
| c. C&AG             | d. President of India |
13. Accounts of the Union Government shall be submitted to the President of India, preferably within ..... months of close of the Financial Year.
- |      |      |
|------|------|
| a. 1 | b. 3 |
| c. 6 | d. 9 |
14. Accounts of the Union Government shall be certified by
- |           |   |
|-----------|---|
| a. CGA    | b. Financial Advisor of the concerned Ministry/Department |
| c. C & GA | d. Public Account Committee                               |
15. Accounts of the Union Government shall be prepared by
- |                                       |   |
|---------------------------------------|---|
| a. CGA                                | b. C&AG   |
| c. Financial Advisor of the concerned | d. Ministry/Department Public Account Committee |
16. Goods costing Rs.1,00,000 were insured for Rs. 50,000. Out of these goods,  $\frac{3}{4}$  are destroyed by fire. The amount of claim with average clause will be
- |                |               |
|----------------|---------------|
| a. Rs. 37,500  | b. Rs. 50,000 |
| c. Rs.1,00,000 | d. Rs.75,000  |

17. Fire insurance claim will be limited to the .....
- a. Actual loss suffered even though the insured value of the goods may be higher
  - b. Proportion of the loss as the insured value bears to the total cost.
  - c. Both a and b
  - d. None of these
18. Gross profit with reference to insurance can be calculated as
- a. Net profit + Insurance standing charge
  - b. Net profit - Insurance standing charges
  - c. Net profit + Standing charges
  - d. Net profit - Standing charges
19. The person who undertake an agreement, conveys to another person the right to use in return for rent, an asset for an agreed period of time
- a. Lessee
  - b. Lessor
  - c. Hire purchaser
  - d. Hire vendor
20. In lease accounting minimum rent also known as
- a. Lease rent
  - b. Royalty
  - c. Dead rent
  - d. All of the above

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**( Descriptive )**

Time : 2 Hr. 30 Mins.

Marks : 50

[ Answer question no.1 & any four (4) from the rest ]

1. Write the meaning of Government Accounting. Write any three objectives of Government Accounting. Also write any four important differences between Government Accounting and commercial accounting. 2+4+4=10
2. AB Ltd. acquired a lease of a colliery from Mr. Barua at a minimum rent of Rs. 25,000 p.a. merging into a royalty of Rs. 5 per ton of coal raised. Short workings could be recouped within the first four years of the lease. The output (in tonnes) for the first five years was as follows: 6+4=10

Year	Output (tonnes)	Year	Output (tonnes)
2018	3,000	2021	3,000
2019	4,000	2022	10,000
2020	6,000		

Prepare a statement showing the calculation of Royalty, Shortworkings, Excessworkings, Shortworking Recouped, Shortworkings lapsed etc. Also pass journal entries in the books of AB Ltd. for year 2018 and 2019.

3. Set out below is the Balance Sheet of Biren and Niren who share profits and losses as 60% to Biren and 40% to Niren. 7 +3=10

Balance Sheet as at 31<sup>st</sup> March, 2023

Liability	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	40,000	Cash	2,000
Capital Accounts:		Debtors	25,000
Biren	60,000	Stock	40,000
Niren	30,000	Plant	43,000
		Premises	20,000
	1,30,000		1,30,000

The partners admit Dhiren into the firm on the following terms:

- i. Dhiren will pay Rs. 20,000 as his capital for 40% of the future profits of the firm.
- ii. The firm's assets are to be revalued before his admission: Stock was to be reduced to Rs. 32,000, Plant was to be depreciated by Rs. 6,300 and Premises were to be revalued at Rs. 25,000. A reserve of 2.5 % is to be raised against Debtors.
- iii. As the new partner is unable to pay anything for the goodwill premium, a Goodwill Account is to be raised in the books for Rs. 30,000.

You are required to give the Journal entries and the Revaluation Account of the firm.

4. Vegetables Oil Ltd., Puna consigned 10,000 kgs of Ghee costing Rs. 20 per kg. to Ramesh and Company of Madras on 1st January, 2009. Oil Ltd. paid Rs. 50,000 as freight and insurance. 250 Kgs of Ghee were destroyed on 10.1.2009 in transit. The insurance claim was settled at Rs. 4,500 and was paid directly to the consignor. Ramesh and Co. took delivery of the consignment on 20th January, 2009 and accepted a bill drawn on them by Oil Ltd. for Rs. 1,00,000 for 3 months. On 31st March, 2009, Ramesh and Co. reported as follows: 4+3+3=10
- (i) 7,500 Kgs. were sold at Rs. 30 per Kg.  
(ii) Other expenses were: Godown rent Rs. 2,000, wages Rs. 20,000  
Printing and stationery including advertisement Rs. 10,000.  
(iii) 250 Kgs. were lost due to leakage.
- Ramesh and Company are entitled to a commission of 4.5 percent on all the sales effected by them. They paid the amount due in respect of the Consignment on 31st March, 2009.  
Show the Consignment Account, the Account of Sri Ramesh and Company and Loss in Transit Account in the books of Consignor for the year ended 31st March, 2009.
5. On 1st January, 2023, Zahin Ltd. purchased a machine worth Rs. 45,000 on hire purchase system. An amount of Rs. 6,000 was paid on delivery and the balance in 5 instalments of Rs. 9,000 each payable annually on 31st December each year. Any difference in the fifth year's amount should be suitably adjusted. Vendor company charged 5% interest per annum on yearly balance. Zahin Ltd. depreciates the machine at 20% p.a. on diminishing balance method. 6+2+2=10  
You are required to pass Journal entries and prepare ledger accounts in the books of Zahin Ltd. for three years.
6. Write notes on the following (*any two*): 5×2=10
- Hire Purchase System Vs. Instalment Purchase System
  - Pro-Forma Invoice Vs. Accounts Sales
  - Garner Vs. Murray Rule

7. Fahim Stores carries its business from a building of Rs. 8,00,000 shared equally by Deptt A and Deptt B. 7+3=10  
 From the information given below:  
 Allocate the expenses between Deptt A and Deptt B giving the reasons for such allocation.

Item	Dept A (Rs.)	Dept B (Rs.)
Sales	24,00,000	20,00,000
Purchases	16,00,000	12,00,000
Opening stock	2,00,000	80,000
Closing stock	1,60,000	1,20,000

Expenses:

Carriage inward -Rs. 35,000; Carriage outward -Rs. 65,000; Depreciation on Building-Rs. 40,000; Advertisement- Rs. 22,000 Lighting- Rs. 25,000 and Insurance on stock- Rs. 4,000.

8. A, B and C are in partnership, sharing profits and losses equally. The firm's Balance Sheet at 31-12-2020 was as follows: 10

Liabilities	Rs.	Assets	Rs.
Sundry	64,000	Cash	1,600
Capital Account: (A- Rs. 24,000; B- Rs. 8,000; C- Rs.4,000)	36,000	Sundry Debtors	53,000
Current Account: A	10,800	Stock	22,200
		Machinery & Plant	26,000
		Current Account: B	2,000
		C	6,000
	1,10,800		1,10,800

It was decided to dissolve the firm on that date. The Machinery & Plant, Stock and Debtors were sold by the firm for Rs. 70,000.

Assuming that C is insolvent and could not meet his liabilities to the firm, show necessary Ledger A/cs in the books of the firm. Apply Garner Vs. Murray principle.

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