

B.COM. (HONS) SECOND SEMESTER EXAMINATION

APRIL – MAY, 2015

SUBJECT: ADVANCE FINANCIAL ACCOUNTING

Time: 3hrs

Max. Marks: 70

Min. Marks: 24

Note: All sections are compulsory. Marks are indicated against each section.

SECTION – A (1 x 10 = 10)
Objective Type Questions

Q.1 Choose the correct option:

(i) Bank Reconciliation Statement is prepared -

- (a) Bank (b) Customer of the bank
- (c) By government (d) By any person

(ii) Excess of assets over liabilities is called-

- (a) Creditor (b) Profit
- (c) Capital (d) Goodwill

(iii) Interest is called on -

- (a) Market price of securities
- (b) Purchase price of securities
- (c) Book value of securities
- (d) Face value of securities

(iv) Consignment stock is generally valued at -

- (a) Cost price (b) Market price
- (c) Cost proportionate share of consignor's expenses
- (d)

(v) Will not be included in branch accounts -

- (a) Cash sales (b) Closing stock
- (c) Goods returned to the head office
- (d) Bad debts

// 2 //

- (vi) Local taxes is allocated indifferent departments -
 (a) Time basis (b) Sales basis
 (c) On the basis of area occupied by each department
 (d) None of these
- (vii) Income and expenditure account is -
 (a) Personal Account (b) Real Account
 (c) Nominal Account (d) None of the above
- (viii) The receipt and payment account records receipt and payment of -
 (a) Capital nature only (b) Revenue nature only
 (c) Both capital and revenue nature
 (d)
- (ix) When Royalty is paid, it is credited in the books of lessee-
 (a) Royalty A/C (b) Landlord A/C
 (c) Cash A/C (d)
- (x) In case of Presidency Town insolvency act rent due to landlord is included in preferential creditors -
 (a) Only for one month (b) Total
 (c) Only for 6 months (d)

SECTION – B (4 x 5 = 20)
Short Answer Type Questions

- Q.2. Why is Bank Reconciliation Statement prepared?
OR
 State the nature of single entry system.
- Q.3. Explain the term cum interest, ex-interest, ex-dividend.
OR
 What do you mean by consignment? What is the difference between consignment and a sales of goods?

// 3 //

- Q.4. Write short notes on-
 (a) Goods in transit (b) Inter branch transactions
OR
 What are direct and indirect changes in departmental account?
- Q.5. Give nay five difference of income and expenditure account, receipt and payments accounts.
OR
 State the meaning of receipts and payments account.
- Q.6. What do you understand by short working?
OR

SECTION – C
Long Answer Type Questions (8 x 5 = 40)

- Q.7. From the following particulars of Shri Rameshwar Das Goyal prepare a bank reconciliation statement as on 31st March, 2008-
- | | |
|---|--------|
| (i) Overdraft as per pass book | 24,300 |
| (ii) Cheque issued but not presented | 6,000 |
| (iii) Bank could not collect the amount of cheque sent for collection | 3,500 |
| (iv) Bank received interest on investment which was recorded in the pass book but not in the cash book. | 500 |
| (v) Interest charges on overdraft by the bank which was not recorded in cash book | 215 |
| (vi) Amount of dishonoured bill showed in the pass book but not in the cash book | 1,285 |
| (vii) Bank overdraft as per cash book | 25,800 |
| | P.T.O. |

OR

Single entry system is unscientific, incomplete system of Book –keeping. Clarify this statement and describe how this system differs from double entry system.

- Q.8. X Ltd. held on 1st April, 2007 Rs. 20,000, 6% M.P. Govt. Bonds 2001. Which company purchased two years back at per interest is payable on 31st March and 30th September on 1st August 2007 company further purchased these bonds of Rs. 10,000 @ Rs. 102 and paid 1.5% Brokerage and Rs. 80 as taxes and other expenses. Govt. redeemed these bonds at per on 31st March 2009. Prepare necessary ledger accounts in the books of X Ltd. for the year 2007-2008 and 2008 -2009. All taxes are included in other expenses.

OR

What entries are passed in the books of the consignor and consignee?

- Q.9. Prepare branch account from the following particulars branch makes only cash sales –

Goods supplied to branch	50,000
Cash sales	55,000
Expenses	3,000
Opening stock	1,000

Closing stock has not been ascertained manager gets commission @10% on net profit before charging such commission branch sells goods at cost 25%.

OR

What do you understand by inter –departmental transactions? What is their impact on trading and profit & loss account? Whether stock reserve on goods included in closing stock received at selling price from other department is necessary?

- Q.10. What are the rules of preparing Income and Expenditure account from receipts and payments accounts?

OR

From the information received from the receipts. Payment of king street club, prepare Income & Expenditure Account for the year ended 31st December, 2008.

Receipt - Cash balance 480 annual subscription Rs.652 life membership fee Rs.100. Entrance fee Rs. 496 interest on investment Rs. 76 sundry receipt Rs. 62.

Payment—General expenses Rs.316 salary and wages Rs.220 furniture 320 Rent & Taxes 224 newspaper Rs.150 Cash balance Rs. 806.

Adjustment - Annual subscription Rs. 100 are outstanding. General expenses Rs. 20 and secretary's salary Rs.70 are outstanding. Depreciation on furniture is to be written off Rs.50.

- Q.11. Pankaj Ltd. took a Coal mine on lease on 1st April 2004 minimum Rent was Rs.15,000 p.a. and royalty was payable @ Rs. 1.50 per ton right to recoup short working was provided only in the first four years of the lease. Production during first five year follows: Ist year 4,000 tons, II year 8,000 tons, III year 12,000 tons, IV year 14,000 & V year 20,000 tons. Pass necessary ledger accounts in the books of Pankaj Ltd. for the above transactions.

OR

What is statement of Affairs? Who prepares it and when? Give a specimen of statement of Affairs.
