Jamia Hamdard

School of Management & Business Studies

Department of Management

B.COM Semester II Examination, August 2023

Paper Code- BCH204

Advanced Financial Accounting

Max.Marks:60

SEC A (Short Answers)

***Answer any SIX questions. Each question carries four marks** **(6 x 4 = 24)**

Q 1. Discuss the Concept of Hire Purchase System with the help of example?

Q 2. A Ltd purchased from B LTD 3 Trucks costing Rs. 500000 each on the HPS. Payment was to be made R.s. 300000 down payment and the reminder in three equal instalments together with interest @ 18% P.A. A LTD write off depreciation @ 20% on the written down value method. It paid the instalment due at the end of the first year but could not pay the next. B LTD agreed to leave one bus with the purchaser, adjusting the value of the other 2 buses against the amount due. The buses were valued on the basis of 30% depreciation annually on diminishing balances. Prepare the necessary accounts in the books of A LTD for two years. Also prepare journal entries for all the transactions?

Q 3. Discuss the concept of Stock and Debtors System with the help of example?

Q 4. Kamal Mills Ltd. sent 100 pieces of suiting to Lal Garments House of Delhi on consignment basis. The consignees are entitled to receive 5 per cent commission plus expenses. The cost of Kamal Mills Ltd. is Rs. 200 per suiting.

Lal Garments House pays following expenses:

Railway Freight Rs. 500 Godown Rent & Insurance Rs. 1,000 Kamal Mills Ltd. draw on the consignees a bill for Rs. 10,000 which is duly accepted. Subsequently it is discounted for Rs. 9,500. The consignees informed the consignor of the sale of the entire consignment for Rs. 28,500. Show journal entries in the book of the consignor.

Q5 Discuss the concept of Normal & Abnormal Losses in Consignment with the help of example?

Q 6. A and B entered into Joint Venture to sell a consignment of timber sharing profits and losses equally. B provides timber from stock at mutually agreed value of Rs. 50000. He pays expenses amounting to Rs. 2500. B incurs further expenses on cartage, storage of Rs. 6500 and receives cash for sales Rs. 30,000. He also takes over goods to the value of Rs. 10000 for his own use. At the close, B takes over the balance stock in hand which is valued at Rs. 11000. Pass Journal Entries to record the above transactions and open the necessary ledger accounts in the books of A and B

Q 7. From the following details prepare Branch Account in the books of Head Office. Rs. Goods sent to Branch at cost 50,000 Goods returned by Branch at cost 3,000 Branch Credit Sales 51,000 Cash Sales at Branch 2,500 Cash remitted to H.O. by Branch 45,000 Expenses paid by H.O. 10,000 Discount allowed to customers by Branch 1,800 Closing stock with Branch at cost 17,000 Closing Debtors (Closing Balance) 7,700

Q 8. Discuss the concept of Allocation of expenses in Departmental Accounts?

Q 9. Discuss the concept of Realization account with the help of numerical examples?

Sec B

***Answer any 3 questions. Each question carries 12 marks** **(3 x 12 = 36)**

Q 1 Y LTD. Has a hire purchase department. Goods are sold on hire purchase at cost plus 60%. From the following particulars find out the profit or loss made in the department by preparing important ledger i.e. Hire Purchase Trading a/c & journal entries.

2021 April 1	Goods out on hire purchase (at hire purchase price)	80000
2021 April 1	Instalments due (customers paying)	5000
2021 April 1	Goods sold on hire purchase basis during the year (at HPP)	400000
2021 April 1	Cash received during the year	280000
2021 April 1	Goods received back (hire purchase instalments unpaid Rs 20000) valued at	1500
2022 March 31	Goods with hire purchase customers(at hire purchase price)	180000

Q 2. Explain the concept of lease and also explain types of lease with the help of example?

Q 3. B. Ltd. of Delhi consigned 1,000 cases of milk powder to S. of Bombay. The goods were charged at proforma invoice value of Rs 10,000 including a profit of 25% on invoice price. The consignors paid Rs. 600 for freight and insurance. Consignee paid import duty Rs. 1,000, Dock Dues Rs. 200 and sent to the Consignors a bank draft of Rs. 4,000 as advance. They sold 80 cases for Rs. 10,500 and sent for the balance due to the consignors after deducting commission of 5% on gross sale proceeds. Show ledger and journal entries in the books of the consignor.

Q 4. Explain the concept of gradual realization of Assets and piecemeal distribution with the help of numerical example?

Q 5. The following balance sheet of X, Y & Z Partnership on March 31^{st}, 2019

Liabilities	Amount	Assets	Amount
creditors	20000	Cash a/c	6000
Profit & Loss account	15000	S debtors	10000
Capital a/c		Stock	20000
A	25000	Furniture	10000
B	15000	Machinery	20000
		C, s capital (Debit bal.)	9000
	75000		**75000**

Z is insolvent but his estate pays Rs. 2000. It is decided to windup the partnership. The assets realized as follows: S. Debtors 7500, stock 16000 Furniture 7000 and machinery 14000. The cost winding up came to 2500.

Give necessary account of the firm and also journal entries.

Q 6. Explain Joint Ventures with the help of numerical examples?

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