DEPARTMENT OF MANAGEMENT
SCHOOL OF MANAGEMENT &BUSINESS STUDIES
JAMIA HAMDARD

Even Semester Examination (Online Examination) August 2021

B.Com (Hons)- [II-Semester]

Subject Name: **Advance Financial Accounting** MM: 75

Subject Code: **BCH204** Time: 03Hours

Email Id of the Examiner: **jwaadakhan@jamiahamdard.ac.in**

Email Id of the Assistant Superintendent of Exams:**bcomhons2ndsemaugust2021@gmail.com**

Email Id of Dean: deanmanagement@jamiahamdard.ac.in

Note:

- Students have to submit the **Scannedhand written solutions**to the Examiner, Assistant Superintendent of Examination and Dean on the email ids as mentioned above.
- Students shall use **ruled white paper & blue ink** to write the solution. Each page must have a **serial number and the signature** of the student.
- An additional ½ an hour will be given to the examinees to scan the answer sheets, convert it into single PDF and upload it on the id's given on the question papers.
- If any two copies are found to be similar then both the copies shall be cancelled. Such students will be considered/ tried for unfair means.
- The attachedPDF shall be named as follows – Roll No- Full Name-Enrollment Number-Course-Semester-Subject Abbreviation(Example: 20334032-Rabia Shaheen-2020-334-032-BCH-II-MPP)and students shall also mention the same in subject line of the email& his/her answer copy also.
- Answer All Questions, each carry equal marks.

Q1. Prashant and Rajesh were partners in a firm sharing profits in the ratio of 3:2. In spite of repeated reminders by the authorities, they kept dumping hazardous material into a nearby river. The Court ordered for the dissolution of their partnership firm on 31st March, 2020. Prashant was deputed to realize the assets and to pay the liabilities. He was paid Rs.1,000 as commission for his services. The financial position of the firm on 31st March 2020 was as follows:

Liabilities	Amount Rs.	Assets	Amount Rs.
Creditors	80,000	Buildings	1,20000
Mrs.Prashant's Loan	40,000	Investments	30.600
Rajesh's Loan	24,000	Debtors	
Investment Fluctuation Fund	8,000	34,000Less:Provision 4,000	30,000
Capitals:		Bills Receivable	37,400
Prashant 42,000		Cash	6,000
Rajesh 42,000	84,000	Profit and Loss A/c	3,000
		Goodwill	4,000
	2,36,000		2,36,000

Following was agreed upon:

i) Prashant agreed to pay off his wife's loan.
ii) Debtors realized Rs.24,000
iii) Rajesh took away all investments at Rs.27,000
iv) Buildings realized Rs.1,52,000
v) Creditors were payable after 2 months. They were paid immediately at 10% discount.
vi) Bills Receivable were settled at a loss of Rs.1,400
vii) Realization expenses amounted to Rs.2,500.

Prepare Realization Account, Partners' Capital Accounts and Cash Account to close the books of the firm by identifying the value being conveyed in the question.**(15Marks)**

Q2. Jain Traders of Delhi consigned 300 tins of Coconut Oil to Narang Traders of Chandigarh, invoiced at Rs.200 per tin. Jain Traders paid Rs.2,000 as carriage and other expenses. The consignor drew a bill of exchange for Rs.16,000 which was later discounted at Rs.15,700. The consignee rendered an account sales showing the following details:

280 tins sold at Rs.250 per tin

20 tins sold at Rs.260 per tin

Storage and selling expenses Rs.5,000

Clearing and cartage Rs.1,600

Commission at 6% on sales.

The consignee sent a sight draft for the balance.

Show the Journal Entries and important Ledger Accounts in the books of both the Consignor and the Consignee. **(15Marks)**

Q3.S and P entered into a joint venture and agreed to divided the profit as to S 60% and P 40%. S and P contributed Rs.1,80,000 and Rs.1,20,000 respectively for carrying on transactions relating to the venture. They opened a joint bank account with the above contributions. They purchased three old state buses for Rs.2,40,000. S and P personally paid Rs.45,000 and Rs.30,000 respectively for repairs and renewals. They purchased a few tyres and tubes costing Rs.54,000. Two buses were sold for Rs.2,70,000 and the third one was taken by P at cost price. Pass necessary journal entries and prepare joint venture account, joint bank account and close the accounts of the venture. **(15Marks)**

Q4. On January 1, 2017, ABC Ltd. sold some plant & machinery costing Rs. 28,00,000 (cash price) to XYZ Ltd. on hire purchase. Payment was to be made as Rs. 7,50,000 cash down and three instalments of Rs. 7,50,000 at the end of each year. Rate of interest was @ 5% p.a. The rate of depreciation for the asset was 10% p.a.

XYZ Ltd. made the down payment and paid the first instalment. But they could not pay the second instalment. Consequently, ABC Ltd. repossessed the goods.

ABC Ltd. spent Rs. 30,000 on repairs and disposed off the asset for Rs. 15,00,000. Open the relevant ledger accounts in the books of both the Hire-Purchaser and the Hire-vendor. **(15Marks)**

Q5. Critically discuss the Debtor system and Stock & Debtor system of Accounting for the Dependent Branches.Give the necessary journal entries in connection with both the systems of Branch Accounting. **(15Marks)**

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