



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – ACCOUNTING AND FINANCE / COMPUTER APPLICATIONS



SECOND SEMESTER – APRIL 2025

UAF 2501 / UCC 2501 – ADVANCED FINANCIAL ACCOUNTING

Date: 02-05-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A - K1 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

1. Fill in the blanks

- Branch keeping the full system of accounting is also known as _____
- In departmental accounting, where separate books are kept for each department, it is commonly referred to as _____.
- For distribution of profit amongst partners, the account which is opened, is _____
- On the admission of a partner if the goodwill is raised at full value, it should be debited to _____
- In case of admission of partner, the profit or loss on revaluation of assets is shared by the _____

2. True or False

- The balance in the capital account of the deceased partner is transferred to his current a/c.
- Branch account is prepared to ascertain Profit and loss of the branch
- When goods are transferred from one department to another department is called outer departmental transfer.
- The share of profit due to the deceased partner will be calculated from the date of the death till the date of settlement of the claim.
- Debtors methods is adopted generally in those branches which are small in size.

SECTION A - K2 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

3. Answer the following

- Describe 'Dependent Branch
- Write a note on Capital Ratio'.
- What are the different kinds of branches
- Write about Winding up
- Define 'Memorandum revaluation account'

4. Definitions

- Branch Account
- Depreciation
- Partnership
- Deed
- Stock Reserve

SECTION B - K3 (CO2)**Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

5. Differentiate between fixed and fluctuating capital accounts.
6. Pvt Company opened a branch at Madras on 1.1.2021 From the following particulars; prepare the Madras Branch account for the years of 2021 and 2022.

	2021 Rs	2022 Rs
Goods sent to Madras Branch	15,000	45,000
Cash sent to branch for		
Rent	1,800	1,800
Salaries	3,000	5,000
Other expenses	1,200	1,600
Cash received from the branch	24,000	60,000
Stock on 31st December	2,300	5,800
Petty cash in hand on 31st December	40	30

7. Distinguish between Branch Account and Departmental Accounting.
8. Calculate the amount of goodwill in the following case,
Three years purchase of the last four years, average profits is agreed as the goodwill value. The profits and losses for the last four years are.

Particulars	Rs
I Year	5,000
II Year	8,000
III Year	3,000 (Loss)
IV Year	6,000

SECTION C – K4 (CO3)**Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

9. A firm earned net profits during last three years as follows:
- | | |
|----------|-----------|
| 1st year | Rs.36,000 |
| 2nd year | Rs.40,000 |
| 3rd 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 goodwill on the basis of 3 years purchase of super profits.
10. Ramu and Somu entered into a joint venture and agreed to share profits in the proportion of 3:2 ratio. Ramu supplied goods Rs.10,000 and paid freight and other expenses amounting to Rs.1000. Somu supplied goods Rs.15,000 and paid Rent, Insurance and other expenses amounting to Rs.900. Somu sold all the goods and realised Rs.35,000 and was entitled to a commission of 6% on sales. Somu sent to Ramu a bank draft in settlement of accounts.

Show the Journal entries and ledger accounts in the books of both the parties

11. X and Y are Partners sharing profits in the ratio of 3:2 . They admit Z into partnership Z paying a premium of Rs 2,000 for 1/4th share of profit. The new ratio is 3:3:2 Goodwill account appears in the books at Rs 2,000 Pass necessary journal entries.

12. Describe the general principles of a reporting system.

SECTION D – K5 (CO4)

Answer any ONE of the following in 250 words

(1 x 20 = 20)

13. The Balance Sheet of X and Y on 31st March 2000 is set out below: They share profits and losses in the ratio of 3:1.

Liabilities	Rupees	Assets	Rupees
Capital:		Land & Building	30,000
X	40,000		
Y	30,000		
General Reserve	20,000	Furniture	2,000
Sundry Creditors	20,000	Stock	8,000
		Sundry Debtors	60,000
		Cash	4,000
		Profit & Loss Account	6,000
	1,10,000		1,10,000

They agreed to admit Z into the firm, subject to the following terms and conditions:

(i) He will be entitled to one – fourth share of the profits.

(ii) He will bring in Rs.21,000 of which Rs.10,000 will be treated as his share of goodwill to be retained in the business.

(iii) Depreciation is to be provided on furniture @ 15%

(iv) Stock to be revalued at Rs.6,500

(v) 50% of the General Reserve is to remain as a provision for Bad and Doubtful Debts.

Give Journal Entries to give effect to these arrangements and construct the Balance Sheet of the new firm

14. The following purchases were made by a business house having three departments

Dept A -200 units

Dept B- 1400 units

Dept C – 400 units at a total cost of RS 5,100

Stocks on 1st January were

Dept A -100 units

Dept B- 400 units

Dept C – 60 units

Sales were

Dept A -180 units at Rs 15 per unit

Dept B- 1500 units at Rs 18 per unit

Dept C – 450 units at Rs 6 per unit

The rate of gross profit is same in each case. Prepare departmental trading account.

SECTION E – K6 (CO5)

Answer any ONE of the following in 250 words

(1 x 20 = 20)

15. From the following information, prepare departmental trading and profit and loss account in a columnar form of the three department's of Sharma dry cleaners ltd.

	Dry cleaning Rs	Darning Rs	Dyeing Rs
Stock 1.1.2021	4,00,000	3,40,000	9,40,000
Stock 31.12.2021	3,30,000	4,38,000	8,17,000
Purchases	19,59,000	6,97,000	13,73,000
Sales	40,00,000	20,00,000	40,00,000
Wages	7,28,000	3,00,000	2,46,000

Goods were transferred from one department to another at cost price as follows

Darning to dry cleaning Rs 2,400 and to dyeing Rs 40,200

Dyeing to dry cleaning Rs 25,800 and to darning Rs 18,000

Dry cleaning to darning Rs 3,000 and to dyeing Rs 24,000

Apportion equally

stationery Rs 5,418,

Postage Rs 4,050,

General expenses Rs 2,37,618,

Insurance Rs, 10,080,

Depreciation Rs 32,598

Rent and taxes Rs 1,80,000 is to be split in proportion to space occupied

Dry cleaning 4, dyeing 2, darning 2 and other space 2.

16. Arul and Balu are partners sharing profits in the ratio of 3:2. Their balance sheet as on 1st January 2021 was as follows

Liabilities	Rs	Assets	Rs
Capital Accounts		Plant and machinery	30,000
Arul	30,000	Furniture	10,000
Balu	25,000	Stock	20,000
General reserve	10,000	Debtors	18,000
Sundry creditors	15,000	Cash	2,000
	80,000		80,000

Charu is admitted as a partner on the above date on the following terms.

1. He will pay Rs 10,000 as goodwill for $\frac{1}{4}$ the share in profits
2. The assets are to be valued as under, plant and machinery Rs 32,000 stock Rs 18,000 provision on debtors at 5%.
3. It was found that creditors included a sum of Rs 1,400 which was not to be paid
4. There was a liability for compensation to workers amounting to Rs 2,000.
5. Charu was to introduce Rs 20,000 as capital and the capitals of other partners were to be adjusted in the profit-sharing ratio.

For this purpose, current accounts are to be opened, capital accounts and balance sheet, of new firm.
