Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_



**End Semester Examination – Nov / Dec – 2019**

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| **Code : 17BC2007** |  | **Duration :** | **3hrs** |
| **Sub. Name : ADVANCED ACCOUNTING** |  | **Max. Marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** |
| 1 | a. | The following is the balance sheet of M/s. A, B and C who share profits and losses in the ratio of 2 : 2 : 1 respectively:  [http://cdn.yourarticlelibrary.com/wp-content/uploads/2016/03/clip_image147_thumb2_thumb-1.jpg](http://cdn.yourarticlelibrary.com/wp-content/uploads/2016/03/clip_image147_thumb2-1.jpg)  The firm was dissolved and the assets were realised gradually; Rs 70,000 were received once, Rs 1,05,000 another time and Rs 63,000 finally. Show how each instalment is to be distributed using minimum balance method. | CO3 | 20 |
| **(OR)** | | | | |
| 2. | a. | State the rules in Garner vs Murray. | CO2 | 10 |
| b. | Differentiate Dissolution of firm and Dissolution of partnership. | CO4 | 10 |
|  |  |  |  |  |
| 3. | a. | The proprietor of a large retail store wished to ascertain approximately the net profit of the X, Y and Z departments separately for the three months ended 31st March 20019. It is found impracticable actually to take stock on that date, but an adequate system of departmental accounting is in use, and the normal rates of gross profit for the three departments concerned are respectively 40%, 30% and 20% on turnover. The indirect expenses are charged in propor­tion to departmental turnover.The following are the figures for the departments:   |  |  |  |  | | --- | --- | --- | --- | | Particulars | X | Y | Z | | Opening stock | 10000 | 14000 | 7000 | | Purchases | 12000 | 13500 | 9700 | | Sales | 20000 | 18000 | 16000 | | Direct expenses | 2000 | 1500 | 700 |   The total indirect expenses for the period were Rs. 5,400. Prepare a statement showing the approximate net profit for each department on the estimated value on 31-3-2019. | CO3 | 20 |
| **(OR)** | | | | |
| 4. | a. | Discuss the basis of allocation of common expenditure among different departments. | CO2 | 10 |
|  | b. | Distinguish between Branch accounting and Departmental accounting. | CO4 | 10 |
|  | | | | |
| 5. | a. | A Madras head office has a branch at Salem to which goods are invoiced cost plus 20%. From the following particulars prepare branch a/c in the books of head office. (Nov – 2012, April-2011, April-2013)  **Particulars Rs.**  Stock on 1.1.96 7680  Debtors on 1.1.96 24000  Stock on 31.12.96 13440  Goods sent to branch 211870  Total sales 206400  Cash sales 110400  Cash received from debtors 88000 | CO3 | 20 |
| **(OR)** | | | | |
| 6. | a. | Explain the salient features of Receipts and Payments account. | CO2 | 10 |
|  | b. | Discuss the steps in the preparation of Income and Expenditure account. | CO2 | 10 |
|  |  |  |  |  |
| 7. | a. | Differentiate Receipt and Payment Account from Income and Expenditure account. | CO2 | 10 |
|  | b. | From the Receipt and Payment Account given below, prepare the Income and Expenditure Account of Clean Delhi Club for the year ended March 31, 2014.  Receipt and Payment Account for the year ending March 31, 2014.   |  |  |  |  | | --- | --- | --- | --- | | Receipts | Amount (Rs) | Payments | Amount | | Balance b/d  (Cash in hand) | 3,200 | Salary | 1500 | | Subscriptions | 22,500 | Rent | 800 | | Entrance Fees | 1,250 | Electricity | 3,500 | | Donations | 2,500 | Taxes | 1,700 | | Rent of hall | 750 | Printing and Stationery | 380 | | Sale of investments | 3,000 | Sundry expenses | 920 | |  |  | Books purchased | 7,500 | |  |  | Govt. bonds purchased | 10,000 | |  |  | Fixed deposit with bank (on 31.03.2014) | 5,000 | |  |  | Balance c/d  Cash in hand | 400 | |  |  | Cash at bank | 1,500 | |  | 33,200 |  | 33,200 | | CO3 | 10 |
| **(OR)** | | | | |
| 8. | a. | State the benefits of global accounting standards. | CO2 | 10 |
|  | b. | Elaborate the accounting treatement for intangible assets as per IAS 38. | CO2 | 10 |
|  | | **Compulsory:** |  |  |
| 9. | a. | Sandhya and Saranya are partners, who share profit in the ratio of 3:2. Following is the balance sheet as on March 31, 2019.  Balance Sheet of Sandhya and Saranya as on March 31, 2016.   |  |  |  |  | | --- | --- | --- | --- | | Liabilities | Amount | Assets | Amount | | Sandhya’s Capital | 32,500 | Cash and Bank | 40,500 | | Saranya’s Capital | 11,500 | Stock | 7,500 | | Sundry Creditors | 48,000 | Sundry debtors  Less: Provision | 21,500  500  20,000 | | Reserve fund | 13,500 | Fixed Assets | 36,500 | | Total | 1,05,500 | Total | 1,05,500 |   The firm was dissolved on March 31, 2019. Close the books of the firm with the following information:   1. Debtors realised at a discount of 3% 2. Stock realised at Rs.7,000 3. Fixed assets realised at Rs.42,000   (iv) Realisation expenses of Rs.1,500  (v) Creditors are paid in full. Prepare necessary ledger accounts. | CO3 | 20 |