



K21U 2133

Reg. No. :

Name :

III Semester B.Com. Degree (CBCSS – Sup./Imp.) Examination, November 2021
(2015 – 18 Admission)

Core Course

3B05COM : ADVANCED ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark.

1. _____ method, the profit or loss made by the business is computed by comparing the capital of the business on two different dates.
2. Short working account shows _____ balance in the books of lessee.
3. Debtors system is generally adopted when the branch is fairly _____ in size.
4. The initial amount paid in hire purchase system is called (4x $\frac{1}{2}$ =2)

PART – B

Answer **any four** questions. **Each** carries **1** mark.

5. What do you mean by independent branch ?
6. What do you mean by contra balances ?
7. What is single entry system of accounting ?
8. What is recoupment of short working ?
9. What is Repossession ?
10. What is financial lease ? (4x1=4)

P.T.O.



PART - C

Answer any six questions. Each carries three marks.

11. Differentiate between self balancing and sectional balancing.
12. Differentiate between hire purchase and installment system.
13. Write a note on royalty account.
14. Explain procedure of converting single entry to double entry.

15. Sharma commenced business on 1-Jan.-2020 with a capital of Rs. 25,000: Rs. 20,000 brought in cash and the balance in the form of machinery. On 1st October 2020 he introduced Rs. 10,000 in the business for which Rs. 6,000 were borrowed from his wife during the year. He withdraw at the rate of Rs. 500 a month his position on 31st December 2020 was as follows:

Assets	Rs.	Liabilities	Rs.
Stock of goods	12,500	Sundry Creditors	8,500
Sundry debtors	10,500	Loan from wife	6,000
Machinery	6,000	Bills payable	1,500
Cash at Bank	3,000		
Cash in hand	500		
Bills receivable	3,800		
Furniture	10,000		

Ascertain his profit for the year ended 31 December 2020 under single entry accounting.

16. Asha purchased a truck on hire purchase system. As per terms she is required to pay Rs. 70,000 down, Rs. 53,000 at the end of first year, Rs. 49,000 at the end of second year and Rs. 55,000 at the end of third year. Interest is charged @ 10% p.a.
You are required to calculate the cash price of the truck and the interest paid with each installments.

17. From the following prepare the debtors ledger adjustment account under self Balancing system in general ledger.

	Rs.
Balance of debtors on 1-1-18 (Dr.)	40,000
Balance of debtors on 1-1-18 (Cr.)	2,000
Credit sales	2,00,000



Cash received from debtors	1,60,000
Discount allowed	6,000
Return inwards	4,000
Bad debts written off	3,000
Bills receivable received	20,000
B/R dishonored	2,000
Provision for bad debts	2,000
Transfer from creditors ledger to debtors ledger	2,200
Closing credit balance of debtors	6,000

18. A Grants a mine on lease to B on 31-3-13 a royalty of ₹ 2 per tonne of the coal produced. The following is the quantum of output for each year.

For the year ended 31 st March,	2014	3,000 tonnes
	2015	3,200 tonnes
	2016	4,000 tonnes
	2017	5,000 tonnes

The minimum rent is fixed at ₹ 7,000 and short-workings recoupment is allowable throughout the period of lease. Compute the amount of royalty payable for the years ended 31st March, 2014, 2015, 2016 and 2017. (6×3=18)

PART – D

Answer any two questions. Each carries eight marks.

19. On January 1, 2011 HP M/s acquired a Pick-up Van on hire purchase from FM M/s. The terms of the contract were as follows :

- I) The cash price of the van was Rs. 1,00,000
- II) Rs. 40,000 were to be paid on signing of the contract.
- III) The balance was to be paid in annual installments of Rs. 20,000 plus interest.
- IV) Interest chargeable on the outstanding balance was 6% p.a.
- V) Depreciation at 10% p.a. is to be written-off using the straight-line method.

You are required to give Journal Entries and show the relevant accounts in the books of HP. M/s from January 1, 2011 to December 31, 2013;



20. A commenced as a business as a cloth merchant on 1-1-2011 with a capital of Rs. 10000 on the same date he purchased furniture and fittings for cash 3,000. From the following particulars obtained from his books kept by single entry. You are required to prepare trading and profit and loss account for the year ending 31 December 2011 and a Balance Sheet on that date

a) Sales (inclusive of cash Rs. 7,000)	17,000
b) Purchases (inclusive of cash Rs. 4,000)	15,000
c) A's drawings	1,200
d) Salary to staff	2,000
e) Bad debts written off	500
f) Business expenses	700

A took cloth worth Rs. 500 from the shop for private use and paid Rs. 200 to his son, but omitted to record these transactions in his books on 31st December 2011. His Sundry debtors were Rs. 5,200 and sundry creditors Rs. 3,600. Stock in hand on 31 December 2011 was Rs. 6,500.

21. The Vijayalakshmi Trading Company Ltd. Bangalore has a branch at Mangalore. The head office pays all expenses except petty expenses which were met by the branch. All cash received by the branch was remitted to the head office daily. The following are the transactions between head office and branch during the year ending 31st December 2011.

Stock at branch 1 st January 2011	7,000
Branch debtors on 1 st January 2011	2,000
Petty cash on 1 st January 2011	200
Goods sent to branch during the year	30,000
Cash sales	40,000
Credit sales	20,000
Cash received from the debtors	16,000
Goods returned by the branch	1,000
Returns from customers	1,500
Cheque sent to branch for expenses :	
Salary	3,000
Petty cash	500
Rent	1,000
	4,500
Stock at branch on 31 st December 2011	4,000
Branch debtors on 31 st December 2011	4,500
Petty cash at branch on 31 st December 2011	300

Prepare the Mangalore Branch Account in the Bangalore office books. (2×8=16)