

END OF SEMESTER EXAMINATIONS, APRIL/MAY - 2017
ADVANCED ACCOUNTING - I
SUBJECT CODE: 15UAPA10

MAJOR: B.Com. (PA)
 TIME : 3 HOURS

SEMESTER : III
 MAX. MARKS: 75

SECTION – A (10 X 1 = 10)

Answer ALL the Questions:

1. What is Net Worth Method?
2. Define Single Entry System.
3. What is Royalty?
4. What is Minimum Rent?
5. What is hire purchase price?
6. What are the two types of repossession?
7. How do you allocate the following expenses in departmental accounts:
 (i) Lighting (ii) Carriage inward.
8. Give a journal entry for Goods sent to branch.
9. Explain Salvage.
10. What is short sales?

SECTION – B (5 X 4 = 20)

Answer Any FIVE Questions:

11. Distinguish between single entry and double entry system.
12. What are the differences between Hire Purchase System and Installment System?
13. Explain the different types of Fire Insurance Policies.
14. Mr.Mano keeps his books of accounts under single entry system. His financial position on 31.12.1990 and 31.12.1991 was as follows:

Particulars	1990	1991
Cash	9,860	800
Stock in trade	38,520	57,020
Plant & Machinery	54,420	61,000
Bills Receivable	-	16,480
Sundry Debtors	24,840	43,940
Sundry Creditors	72,040	80,000
Furniture	4,960	5,220
Drawings	-	5,000

During the year he introduced additional capital of Rs.20,000.

From the above particulars prepare a statement of profit & loss of Mr.Mano for the year ended 31.12.1991.

15. On 1.1.1982, Rama collieries Ltd., lease a piece of land agreeing to pay a minimum rent of Rs.2,000 in the first year, Rs.4,000 in the second year and thereafter Rs.6,000 p.a. merging into a royalty of 40 paise per tonne, with power to recoup short workings over the first three years only. The figures of annual output for the four years to 31st Dec. 1985 were 1,000, 10,000, 18,000 and 20,000 tonnes respectively. Prepare Analytical table to know the Royalty paid.
16. Mr.X purchased a machine on hire purchase system Rs.3,000 being paid on delivery and the balance in five installments of Rs.6,000 each, payable annually on 31st Dec. The cash price of the machine was Rs.30,000. Calculate the amount of interest for each year.
17. From the following particulars prepare a branch account showing the profit or loss at the branch.

Particulars	Amount Rs.
Opening stock at the branch	15,000
Goods sent to the branch	45,000
Sales	60,000
Salaries	5,000
Other expenses	2,000

Closing stock could not be ascertained but it is known that the branch usually sells at cost plus 20%. The branch manager is entitled to a commission of 5% on the profit of the branch before charging such commission.

18. A fire occurred at the premises of a merchant on 31.5.94 destroying a great part of his goods. His stock at 1.1.94 was Rs.60,000. The value of stock salvaged was Rs.13,500. The gross profit on sales was 30% and sales amounted to Rs.1,53,000 from January to the date of fire, while for the same period the purchases amounted to Rs.1,03,500. Prepare Statement of claim.

SECTION – C (3 X 15 = 45)

Answer Any THREE Questions:

19. Explain the features of Single Entry System.
20. Explain the difference between Departments and Branches.
21. R took a colliery on lease. The dead rent was Rs.750 a year merging into a royalty of 35 paise per tonne of coal raised with the right to recoup short workings out of the royalties of the next two years from the period in which the short workings arose. The output raised were:

First year	1,000	Tonnes
Second year	1,500	Tonnes
Third year	2,500	Tonnes
Fourth year	1,500	Tonnes
Fifth year	1,000	Tonnes

Give the necessary ledger accounts in the books of R.

22. From the following prepare the hire purchase trading account. Sunder sells goods of small value at cost plus 50%.

1.1.90	Stock out with the customers at HP price	Rs.9,000
	Stock at shop at cost price	Rs.18,000
	Installments due but not received	Rs.5,000
31.12.90	Goods worth 500 reposed [Installments not due 2,000]	
	Cash received from customers	Rs.60,000
	Purchases made during the year	Rs.60,000
	Stock at shop at cost excluding reposed	Rs.20,000
	Installments due but not received	Rs.9,000

Stock out at hire purchase price with the customers Rs.30,000.

23. A fire occurred in the business premises of Raghavan on 19.07.89. From the following particulars ascertain the loss of stock and prepare a claim for insurance.

	Rs.
Stock on 1.1.88	36,720
Stock on 31.12.88	32,400
Sales for 1988	2,16,000
Purchases for 1988	1,46,400
Purchases from 1.1.89 to 19.7.89	1,76,400
Sales from 1.1.89 to 19.7.89	1,80,000

The stocks were always valued at 90% of cost. The stock saved from fire was worth Rs.21,600. The amount of the policy was Rs.75,600. There was an average clause in the policy.
