

S.NO.: 379

BATCH: 2017

Reg. No.:

END OF SEMESTER EXAMINATIONS, NOVEMBER - 2018

ADVANCED ACCOUNTING - I

SUBJECT CODE : 17UAPA10

MAJOR : B.COM (PA)

TIME : 3 HOURS

SEMESTER : III

MAX. MARKS: 75

**SECTION - A ( 10 X 1 = 10 )****Answer ALL the questions:**

1. Give the meaning of Incomplete Records.
2. Mention defect of Single Entry System.
3. What is Royalty?
4. What do you understand by 'Recoupment' of short working?
5. What is Installment Purchase System?
6. How do you deal with the Repossessed goods in the books of Hire Vendor?
7. What do you understand by Inter Departmental Transfer?
8. Write a short note on Stock and Debtor system.
9. How will you calculate loss of stock in insurance claim?
10. What is meant by "Consequential Loss Policy"?

**SECTION - B ( 5 X 4 = 20 )****Answer any FIVE questions:**

11. What are the salient features of Single Entry System?
12. Distinguish between Hire Purchase and Installment System.
13. What are Departmental Accounts? What are its Objectives?
14. David started business with a Capital of Rs.20,000 on 1<sup>st</sup> January 2004. During the year he has withdrawn Rs.500 per month for his personal expenses. Also David has brought additional capital of Rs.5,000 into the business. His capital at the end of the year, ie on 31<sup>st</sup> December 2004 was Rs.36,000. Ascertain the Profit or Loss for the year.
15. Karan took out a lease under a Royalty Agreement from Kavitha which provides as follows:  
The minimum rent is agreed at Rs.5,000 p.a. The actual royalties for the first four years were Rs.2,000, Rs.3,000, Rs.6,000 and Rs.10,000. Short working can be recouped only during the first three years. Write up the Journal Entries.
16. On 1<sup>st</sup> January 1997, M/s XYZ & Co took delivery from ABC & Co. Ltd of a machine on hire purchase system, Rs.1,500 being paid on delivery and the balance in five installments of Rs.3,000 each payable annually on 31<sup>st</sup> December. The cash price of the machine was Rs.15,000. Calculate the amount of interest for each year.
17. From the following details prepare Departmental Trading Account.

	Department A Rs.	Department B Rs.
Opening Stock	9,000	8,400
Total Purchases	27,000	21,600
Total Sales	42,000	36,000
Closing Stock	10,800	4,800

18. A fire occurred on 15<sup>th</sup> September 1996 in the business premises. From the following figures ascertain the claim to be lodged.

	Rs.
Stock on 1 <sup>st</sup> April 1996	1,05,000
Purchases from 1 <sup>st</sup> April to the date of Fire	3,50,000
Manufacturing Expenses	2,60,000
Sales from 1 <sup>st</sup> April to the date of fire	6,76,000
Goods used by the partners privately (cost)	10,500

The rate of gross profit is 30% on cost. The stock salvaged is Rs.36,000.

SECTION C (1X15 = 15)

Answer any THREE questions:

19. What are the features of Dependent Branch? Distinguish between Branch and Departmental Accounts.
20. The Bharat Mine Company obtained a mine on lease for a period of 20 years beginning from 1<sup>st</sup> January 1988 on the following terms:
- To pay minimum rent of Rs. 24,000 per year.
  - Each year's excess of minimum rent over the actual royalties is short working can be recovered during the subsequent two years.
  - Royalty was to be calculated at 50 paise per tonne.
- Production during four years from 1988 to 1991 was as follows:

Year	Production (in tonne)
1988	28,000
1989	36,000
1990	60,000
1991	64,000

Open minimum rent amount, royalty account, landlord account and short working account in the books of the Bharat Mine Company.

21. Describe the procedure for computation of claim under Loss of Profit Policy.
22. On 1.1.98 National Transport Company purchased from Metro Motor five trucks costing Rs.40,000 each on the hire purchase system. It was agreed that Rs.50,000 should be paid immediately and the balance in three installments of Rs.60,000 each at the end of the year. The Metro Motors charges interest @ 10% p.a. The buyer depreciate trucks at 20% p.a. on the diminishing balance method.
- The buyer paid cash down and two installments but failed to pay the last installment. Consequently, the Metro Motors repossessed three trucks leaving two trucks with the buyer and adjusting the value of 3 trucks against the amount due. The trucks repossessed were valued on the basis of 30% depreciation p.a. on the written down value. The Trucks repossessed were sold by Metro Motors for Rs.60,000 after necessary repairs amounting to Rs.10,000. Open the necessary ledger accounts in the books of both the parties.
23. Ramu keeps his book by single entry method. His position on 31.03.03 was as follows: Cash Rs.28,700; Debtors Rs.18,400; Stock Rs.28,600; Furniture Rs.5,000; Creditors Rs.20,700.
- On 1.10.03, Ramu introduced Rs.10,000 as further capital in the business and withdrew on the same date Rs.7,000, out of which he spent Rs.5,000 on the purchase of a machine for the business.
- On 31.3.04 his position was as follows.  
Cash Rs.29,600; Stock Rs.31,500; Debtors Rs.24,200; Furniture Rs.6,000; Creditors Rs.25,400.
- Prepare necessary statements showing the profit or loss made by him during the year ended 31.12.04 after closing the following adjustment.
- Depreciate furniture and machine by 10% p.a. Write off bad debts Rs.1,200 and provide 5% for doubtful debts. Also provide interest on capital at 10% p.a.

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