II Semester B.Com. (F&A) (A&F) Degree Examination,

June/July - 2026

(SEP Scheme F+R)

COMMERCE

Advanced Financial Accounting

Time : 3 Hours **Maximum Marks : 80**

Instructions:

Answers should be written in English only.

SECTION - A

Answer any Five sub-questions. Each sub-question carries Two marks.

(5×2=10)

1. a) State any two features of Single Entry system?

   b) Who is Co-venturer?

   c) What is abnormal class?

   d) State any two methods of Calculating purchase considerations.

   e) Give the meaning of Short workings.

   f) What do you mean by Purchase consideration?

   g) Describe Stock Reserve?

SECTION - B

Answer any Three questions. Each question carries 6 marks **(3×6=18)**

2. Mr.Shekar has not kept his books of accounts under double entry system

Ascertain his profit (or) Loss for the year ended 31-12-2024 with the help of the following information:

Particulars	1-1-2024	31-12-2024
Cash	1,000	2,000
Bills receivable	4,000	8,000
Debtors	6,000	9,500
Stock	7,000	8,500
Furniture	4,000	4,000
Machinery	10,000	10,000
Creditors	8,000	5,000
Bills payable	1,500	500

During the year, Shekar withdraw Rs.3,500 for Personal use and introduced Rs.800 as additional capital.

Depreciation is to be provided @ 5% on furniture and 10% on machinery.

There are outstanding Salaries Rs.200 and prepaid rent Rs.400

3. Rama and Lokesh entered into a Joint venture in which rama would manage the business. They bought Rs.40,000 each in cash for the venture. Rama purchased goods for rs.76,000 and sold for Rs.1,00,000. expenses on the venture paid by him amounted to Rs.4,000. Rama would get a commission of 5% on sales. Share Profits and closes in 2:1 ratio. Prepare Joint venture A/c.

4. Mr.Rajesh consigned 50000 units costing Rs.5 each to Mr.Umesh, Mr.Rajesh incurred Rs.10,000 for Sending the goods, 2500 units were abnormally destroyed in transit. Mr umesh took delivery and paid Rs.1500 for bringing the goods to the godown. Consignee sold 30,000 units @ Rs.10 each. Consignee paid selling expenses of Rs.10,000.

Calculate the value of Closing stock

5. Calculate the Purchase Consideration from the following details

The purchasing company has agreed to issue 8000 Equity shares of Rs.10 each @par; 500, 8% preference shares of Rs.100 each @ 10% Premium; 1000 debentures of Rs.50 each @ 10% discount and pay cash equal to 10% of total purchase consideration.

6. Prepare an analysis table from the following details

a) Minimum Rent Rs.15,000 p.a

b) Royalty payable Rs.0.75 per ton of output

c) Short workings can be recouped in the subsequent two years out of excess royalty.

d) Output for the first four years-10,000 tons, 12000 tons, 28000 tons and 25,000 tones respectively.

SECTION - C

Answer any Three questions.Each question carries 14 marks. (3×14=42)

7. Krishna a retailer kept his books of accounts under single entry system, The following information is available

Particulars	1-1-2024	31-12-2024
Cash in hand	2,000	3,000
Cash at Bank	4,000	6,000
Stock	15,000	20,000
Debtors	18,000	21,500
Bills Receivable	5,000	15,000
Bills payable	8,000	10,000
Creditors	12,000	8,000
Machinery	25,000	25,000
Building	30,000	30,000
Furniture	10,000	10,000
Motor Van (1-7-2024)	--	15,000

During the year, he withdraw Rs.7,000 for his personal use. On 30-6-2025 introduced Rs.9,000 as additional capital

Adjustments:

1. Depreciate Machinery, Furniture and motor van by 10% p.a
2. Appreciate building by 5%
3. Allow interest on Capital 6% p.a
4. Write off bad debts Rs.1,500 and maintain RBD @ 5%
5. Prepaid Rent Rs.800

Prepare:

a) Opening and closing statement of affairs.

b) Statement of Profit and Loss

c) Revised statement of affairs

8. Charith and Chinmay entered into a joint venture and agreed to share profits and losses in the ratio of 3:2 after providing for interest on Capital @ 10% p.a

A Joint bank account was opened in which Charith deposited Rs.4,00,000 and Chinmay deposited Rs.2,00,000 on 1-4-2023. Goods purchased for Rs.3,75,000 in cash and was sent to Bengaluru agent for sale.

Freight and Insurance amount to rs.7,500 was paid. All the goods were sold by the agent for Rs.7,00,000. The agent remitted the balance of amount after deducting his commission @ 3% and expenses of Rs.4,000.

Prepare:

a) Joint Venture A/c

b) Co-venture A/c

c) Joint Bank and

d) Agent's A/c in the books of Joint venture.

9. Swastik Oil mills of Mumbai Consigned 10,000 Kgs of coconut oil to Dass of Kolkatta on 1st April, 2021. The cost of Oil was Rs.2 per kg. The Swastik Oil mills paid rs.5,000 as freight and Insurance. During transit 250 kgs.were destroyed for which insurance Co. paid Rs.450/-.

Dass took a delivery of the Consignment on the 10th April, 2021. Dass reported that 7,500 kgs were sold @ Rs.3 per kg. The expenses being godown rent Rs.200, on advertisement Rs.1,000 and on salesmen Salary Rs.2,000. Dass is entitled a commission on 3% plus 1½% delcrede.

Dass reported a loss of 100 kgs due to leakage in godown (normal). Assuming that Dass paid to the amount due by Bank draft, prepare necessary ledger accounts in the books of the Consignor.

10. A,B and C were the partners in a firm, Sharing profits and Losses in the ratio of 5:3:2 on 31-12-2024 they agreed to sell their business to a limited.

Liabilities	Amount	Assets	Amount
Capitals		Buildings	90,000
A	60,000	Machinery	15,000
B	36,000	Stock	25,000
C	30,000	Debtors	35,000
Loan from Bank	10,000	Cash	1,000
Creditors	30,000		
	1,66,000		**1,66,000**

The Company agreed to take over the following assets @ the values . Shown against them.

Buildings	Rs.1,00,000
Machinery	Rs.10,000
Stock	Rs.26,000
Debtors	Rs.32,000
Goodwill	Rs.20,000

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The Company also takeover the creditors @ Rs.28,000. The company paid the purchase consideration by allotment of 10,000 shares of Rs.10 each and the balance in cash, The realisation expenses amounted to Rs.5,000

Show the ledger accounts in the books of the firm.

11. "Nischal Mines Company took a lease from a landlord for a period of 10 years from 1st January, 2005. on a Royalty of Rs. 10 per ton of coal raised with a dead rent of Rs. 40,000 and power to recoup short working during the first 4 years of lease.

The annual output was as follows

Years	Output(Rs)
2005	2,000
2006	3,000
2007	4,000
2008	4,500
2009	5,000

Prepare
a) Dead Rent(Minimum rent)
b) Royalties A/c
c) Shortworkings A/c
d) Landlord A/c in the books of Nischal Mines Company.

SECTION - D

Answer any One question. Each question carries 10 marks **(1×10=10)**

12. a) From the following details, prepare short working A/c
   i) Minimum Rent Rs.90,000 p.a
   ii) Royalty Rs.15 per ton

iii) Right to recoup shortworkings during the First 4 years only

iv) Output for the First 5 years; 2019-3000 tons 2020-4,000(tons), 2021-7,000(tons), 2022-1000(tons) 2023-12,000(tons)

(OR)

b) Pass incorporation entries in the books of the Company from the following particulars.

Purchase Consideration Rs.11,25,000. Value of Sundry assets taken over Rs.13,50,000. Current liabilities taken over Rs.1,35,000. Settlement of purchase consideration 60% in equity shares of Rs.10 each @ face value and the balance in 8% debentures of Rs.100 each @ face value.