

**QP CODE**

**Enrollment Number: .....**

**A4038**

**Name: .....**

**B.COM DEGREE EXAMINATIONS, DECEMBER 2024**

**Second Semester**

**B.Com**

**B21CM03DC – Advanced Financial Accounting**

**(2023 July admissions)**

**Time: 3 Hours**

**Max Marks: 70**

**Section A**

**Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.**

1. Expand IFRS.
2. Ind. AS 38 deals with \_\_\_\_\_.
3. What is a Foreign Branch?
4. Explain Branch Stock Account.
5. What is the maximum amortization period for intangible assets under Indian GAAP?
6. What is cash-in-transit?
7. Who is a higher purchaser?
8. What is meant by consignment?
9. What is an account sale?
10. In which year IFRS was introduced?
11. What do you mean by short working?
12. What is dead rent?
13. What do you mean by higher purchase price?
14. What is abnormal loss?
15. What is the nature of royalty account?

**(1X10=10)**

**Section B**

**Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.**

16. Write any two features of IFRS.
17. What is installment money?
18. What do you mean by proforma invoice?

19. What is an impaired asset?
20. What is contingent liability?
21. What do you mean by delcredere commission?
22. Kiran consigned 10,000 kgs. of groundnut oil to Kishore of Calcutta at Rs. 15 per kg. Expenses incurred by Kiran being Rs. 7,500 for freight and Rs. 2,500 for insurance. During transit, 500 kgs. of oil were destroyed due to an accident. Kishore received the balance of the consignment and sold 7000 kgs. of oil at Rs. 20 per kg. 100 kgs. of oil were lost due to leakage. Calculate the abnormal loss and the value of the closing stock lying with the consignee.
23. Calculate the amount of profit and cost, if goods of the invoice price of ₹ 40,000 are sent at a profit of 25% on cost.
24. A company leased a colliery on January 1, 2021, at a minimum rent of Rs. 9,000 merging into a royalty of Re. 0.50 per tonne with the power to recoup short workings over the first three years of the lease. The output of the colliery for the first three years was 12,000 tonnes, 19,000 tonnes and 21,000 tonnes respectively.  
Draft the necessary Journal entries in the first year, if there is a minimum rent account.
25. X purchased a machinery from Y whose cash price is Rs. 84,000 on January 1, 2020. Rs. 22,500 is paid at signing of the contract and the balance is to be paid in three equal annual instalments of Rs. 22,500 each. The rate of interest is 5% per annum.  
Calculate the amount of interest included in each instalment.

**(2X5=10)**

### **Section C**

**Answer any four of the following questions. Each question carries 5 marks.**

26. Explain any five features of higher purchase system.
27. What are the objectives of branch accounting?
28. Write the differences between Ind AS and IFRS.
29. A Company acquired a lease of a mine at a minimum rent of Rs. 10,000 per annum. The Royalty was fixed at Re. 0.50 per tonne. Short workings could be recouped within three years following the year in which the short workings occur. If there is stoppage of production due to a strike in any year, the minimum rent would be proportionately reduced in regard to the length of the stoppage. The output (in tonnes) of the mine was as follows: 2005 - 8,000; 2006 - 12,500; 2007 - 21,500; 2008 - 26,000; 2009 - 17,000; 2010 1998 - 30,000. During 2009, there was strike lasting for 3 months. Show the calculations and royalty a/c.
30. Pass Journal Entries in the following cases.
  - i. When an asset is acquired on hire purchase
  - ii. When down payment is made

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- iii. When interest becomes
- iv. When an instalment is paid
- v. When depreciation is charged on an asset.

31. Star Umbrella, Kochi opened a Branch at Kollam to which goods are sent at the selling price which is cost plus 33<sup>1</sup>/<sub>3</sub>%. The following relates to the Branch for the year 2023 from which you are asked to give journal entries under 'Stock and Debtors' system.

Goods sent to Branch (selling price)	2,00,000
Cash sales during the year	90,000
Credit sales during the year	70,000
Cash received from debtors	55,000
Discount allowed to debtors	2.000
Bad debts written off	500
Remittance to Branch for - Rent	4000
Salary	5000
Other expenses	1000
	10,000

32. A company leased a colliery on 1 January, 2017 at a minimum rent of ₹ 25000 merging into a royalty of ₹1.50 per ton with power to recoup short workings over the first four years. The output was 12000 tons, 15000 tons, 18000 tons, 20000 tons respectively. Pass the necessary journal entries for each of the four years in the books of the company.

33. Pass Journal Entries in the books of consignee in the following cases.

- i. When the consignee accepting the bill of exchange
- ii. When expenses incurred by the consignee on the consignment
- iii. When sales being affected
- iv. When commission being earned
- v. When making payment to the consignor

**(5X4=20)**

**Section D**

**Answer any two of the following questions. Each question carries 15 marks.**

34. Explain in detail Ind. AS16 – Property, Plant and Equipment (Meaning, Scope, Recognition, Accounting treatment, etc.)

35. 'P' purchased a motor car from Q for Rs. 56,000/-on hire purchase system. Rs. 15,000 is paid on signing the contract and the balance will be payable in three equal instalments of Rs. 15,000 each at the end of each year. Interest is charged at 5% per annum. The buyer depreciates cars at 10% per annum on the Straight Line method.Prepare Car account and Hire Vendor accounts in the books of P.
36. Ramesh Brothers consigned 100 scooters, each costing Rs. 4.000 to Mahesh Brothers at Cochin. Ramesh Brothers spent Rs. 5.000 towards freight and insurance. During transit five scooters were badly damaged. Mahesh Brothers took delivery of the remaining scooters and spent Rs. 1,900 towards direct expenses and Rs. 800 towards indirect expenses. They are entitled to a 5% commission on sales. Eighty scooters were sold at Rs. 4,500 each. Show journal entries and important Ledger Accounts in the books of both parties.
37. A Head Office in Madras has a Branch at Kollam. Goods are sent by the Head Office to its Branch at a cost which the branch sells both for cash and on credit.

The following relates to the branch for the year 2015.

Stock at the branch on 1.1.15	24,000
Branch debtors on 1.1.15	7,000
Furniture at the branch on 1.1.15	8,000
Goods sent to the branch during the year	1,40,000
Cash sales during the year	82,000
Credit sales during the year	90,000
Cash received from debtors	83,000
Returns by debtors to branch	2,000
Discount allowed to debtors	1,000
Bad debts written off	500
Remittance to branch for expenses	7,000
Stock at the branch on 31.12.15	40,000
Branch debtors on 31.12.15	10,500
Value of furniture on 31.12.15	6,400

Prepare the Kollam Branch Account to find out the profit at the branch. Also, prepare Branch Debtors Account.

**(15X2=30)**