



DCBC – 201

**II Semester B.Com. Examination, July/August 2024
(NEP Scheme) (Freshers and Repeaters)**

COMMERCE

Paper – 2.1 : Advanced Financial Accounting

Time : 2½ Hours

Max. Marks : 60

Instruction : Answers should be written **completely** either in **English** or in **Kannada**.

SECTION – A

Answer **any 5** sub-questions. **Each** question carries **2** marks.

(5×2=10)

1. a) What is Del-credere commission ?
- b) What is an Account Sales ?
- c) What is joint venture ?
- d) State any two objectives of joint venture.
- e) What do you mean by shortworkings ?
- f) Write an entry for irrecoverable shortworkings in the books of lessor.
- g) What is Realisation Account ?

SECTION – B

Answer **any 3** questions. **Each** question carries **4** marks.

(3×4=12)

2. Mr. Nandish of Mysore, consigned 500 kgs of oil at Rs. 30 per kg to Mr. Satish of Mandya. He paid Rs. 4,000 as carriage and freight charges. Mr. Satish also paid Rs. 1,000 towards unloading charges, Rs. 2,000 as godown rent and Rs. 1,500 as selling expenses. Normal loss due to leakages is 40 kgs of oil in transit. Mr. Satish sold 320 kgs of oil at Rs. 55 per kg and 19 kgs of oil at Rs. 60 per kg. Calculate value of unsold stock.

P.T.O.



3. A and B entered into a joint venture having profit sharing ratio of 1 : 1. They agreed to write books of accounts under Memorandum Joint Venture method. A and B purchased goods for Rs. 6,00,000 and Rs. 4,50,000 respectively and sold the same for Rs. 7,50,000 and Rs. 5,25,000 respectively. Selling expenses incurred by them are Rs. 35,000 and Rs. 25,000 respectively. Final settlement is done by cheque. Show Memorandum Joint Venture Account.

4. Prepare an analytical table of royalty from the following details :

- Minimum Rent Rs. 75,000 p.a.
- Royalty Rs. 6 per ton of ore raised.
- Shortworkings are recoverable during the first three years of the lease only.
- Output for the first four years is as follows :

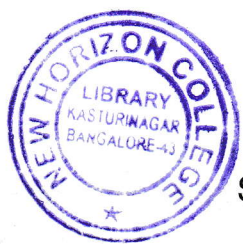
Years	1	2	3	4
Output in tons	3,000	10,000	30,000	35,000

5. Calculate the amount of purchase consideration from the following :

The purchasing company has agreed to issue 30,000 equity shares of Rs.10 each at Premium of 10%. 1,000 8% preference shares of Rs. 100 each at par, 1,000 6% debentures of Rs. 100 each at a discount of 10% and pay cash equal to 25% of the total purchase consideration.

6. Pass incorporation entries in the books of a company from the following particulars :

Purchase consideration = Rs. 10,00,000 ; Value of sundry assets taken over = Rs. 9,50,000 ; Current liabilities taken over = Rs. 75,000, Settlement of purchase consideration = 75% in Equity shares of Rs. 100 each, 1000 debentures of Rs. 100 each and the balance in cash.



SECTION – C

Answer **any 3** questions. **Each** question carries **10** marks.

(3×10=30)

7. Exide Batteries Ltd., Bangalore consigned 1,500 batteries costing Rs. 5,000 each to Manju Electricals of Mulbagal. The consigner paid Rs. 75,000 towards freight charges and insurance Rs. 30,000. During transit it was found that 10 batteries were damaged and insurance company settled the claim for Rs. 45,000. Manju Electricals received the balanced consigned goods and paid unloading charges Rs. 14,900. They accepted a bill drawn for Rs. 20,00,000 as advance. Manju Electricals sold 800 batteries for cash at Rs. 6,500 and 450 batteries on credit at Rs. 7,000 each. They spent Rs. 42,000 for godown rent, Rs. 6,500 for advertisement and Rs. 30,000 as salesmen salary. The consignee is entitled to get an ordinary commission at 5% on sales and Del-credere commission at 2% on credit sales. Manju Electricals remitted the balance due to the consignor by bank draft. Prepare Consignment A/c.

Akash and Ashwin undertook a joint venture for construction of a college building. A joint bank a/c was opened in which Akash deposited Rs. 2,00,000 and Ashwin Rs. 50,000. The contract price was Rs. 10,00,000. The profit of joint venture was to be shared as to Akash $\frac{2}{3}$ and Ashwin $\frac{1}{3}$.

The details of the transactions are as follows :

Salaries Rs. 30,000, Wages Rs. 1,80,000, Materials supplied by Akash Rs. 35,000, Building material purchased Rs. 4,00,000. Materials supplied by Ashwin Rs. 35,000, Architect's fees Rs. 25,000, Carriage Rs. 45,000, Machinery purchased Rs. 80,000.

On the completion of the contract the unused materials of the value Rs. 40,000 were taken over by Akash. The machinery was sold for Rs. 60,000. Mr. Ashwin was to be paid a remuneration of Rs. 30,000 for his service which is to be charged to the joint venture.

Prepare the necessary Ledger Accounts.



9. Z Co. Ltd. took lease from a landlord for period of 25 years from 1st January 2021 on a royalty of Rs. 2 per ton of coal raised with a minimum rent of Rs. 20,000 and power to recoup shortworkings during the first three years of the lease. The annual output was as follows :

Year	Production (tonnes)
2021	5,000
2022	8,000
2023	12,000
2024	15,000

Prepare Minimum Rent Account, Royalty Account and Landlord Account in the books of Z Company Ltd.

10. A and B are partners having profit sharing ratio of 2 : 1 and their Balance Sheet as on 31-3-2024 was as follow :

Liabilities	Amount	Assets	Amount
Creditors	1,20,000	Cash	900
Bills Payable	30,000	Debtors	1,80,000
Reserve fund	18,000	Less : Reserve	9,000
A's loan	60,000	Bills Receivable	15,000
Capital A	90,000	Stock	1,31,100
B	60,000	Machinery	60,000
	3,78,000		3,78,000

They agreed to sell the business to a limited company and the company took over the assets and liabilities as follows :

Machinery at Rs. 48,000, Stock at Rs. 1,05,000, Debtors at Rs. 1,52,100, B/R at Rs. 15,000 and Goodwill at Rs. 18,000. The company agreed to take over creditors at Rs. 1,14,000 and B/P at Rs. 30,000. The firm received Rs. 1,20,000 of the purchase price in Rs. 10 fully paid Equity shares and the balance in cash. Distribute the shares as per original capital ratio. Prepare the necessary Ledger Accounts in the books of the firm.



11. Z Ltd. was formed to take over the business of M/s X and Y who are carrying on business in partnership. The Balance Sheet of the firm as on 31-12-2020 was as follows :

Liabilities	Amount	Assets	Amount
Capital Accounts		Plant and Machinery	2,60,000
X	2,00,000	Land and Buildings	69,000
Y	3,19,000	Stock	1,30,000
Sundry Creditors	65,000	Investments	52,000
Bills Payable	22,000	Sundry Debtors	1,38,000
Profit and Loss A/c	43,000		
	6,49,000		6,49,000

The Company took over all the assets and liabilities except the investments at their book values and the purchase consideration of Rs. 5,50,000 was satisfied by the issue of Rs. 2,00,000, 7% Debentures of X Ltd. and the balance in fully paid shares of Rs. 100 each in Z Ltd., the investments were taken over by Y at book value.

The shares in the Z Ltd. are taken over by the partners in the ratio of 3 : 2 and the final settlement being made in the form of debentures.

Pass the Opening Journal Entries in the books of Z Ltd. and its Balance Sheet.

SECTION – D

Answer **any one** of the following question. It carries **8** marks.

(1×8=8)

2. a) Mr. Suresh of Bangaluru consigned 5,000 tins of oil at Rs. 2,000 each to Mr. Ramesh of Mysore. Mr. Ramesh sold 3,500 tins at Rs. 3,000 per tin for cash and 1,500 tins at Rs. 3,500 each on credit. Calculate the commission payable to Mr. Ramesh,
- If commission is payable at Rs. 150 per tin sold.
 - If he is entitled to 5% ordinary commission on total sales and 4% Del-credere commission on credit sales.

OR

- b) Prepare a Sales Account with imaginary figures.