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Reg. No.

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II Semester B.Com. Regular/LSCM/A & F/I & AS Degree Examination,

June/July - 2025

COMMERCE

Advanced Financial Accounting

(NEP Scheme Repeaters)

Paper : 2.1

Time : 2½ Hours

Maximum Marks : 60

Instructions to Candidates:

Answers should be written Completely in English only.

SECTION - A

Answer any Five of the following sub-questions. Each Sub-question carries 2 marks. (5×2=10)

1. a) What is Under Insurance?
- b) What is Memorandum Trading Account?
- c) Mention any two advantages of Hire Purchase System.
- d) How do you allocate the following expenses in Departmental Accounting?
 - i) Advertisement Expenses
 - ii) Rent of Building
- e) Calculate Gross Profit, When Sales is Rs. 10,00,000 and Gross Profit Ratio is $33\frac{1}{3}\%$ on cost.
- f) What is Single Entry System of Accounting?
- g) What are Dependent Branches?

(OR)

What is Environmental Accounting?

[P.T.O.]

SECTION - B

Answer any Four of the following questions. Each question carries 5 marks.(4×5=20)

2. What are the benefits of Green Accounting?

(OR)

Give journal entries to the following transactions in the books of head office in Bengaluru to close the books of accounts on 31st March 2025.

- Kolkata branch collected Rs. 55,000 on 22nd March 2025 from a local customer of HO.
- Goods sent on 27th March by Chennai branch worth Rs. 50,000 to Cochin Branch as per the instructions from HO.
- Bank Draft for Rs. 1,50,000 sent by Hyderabad branch on 30th March 2025 is not yet received by HO.
- Goods sent by HO on 31st March 2025 for Rs. 20,000 to Lucknow branch, which was received by the branch on 2nd April 2025.
- Goods returned by Delhi Branch on 29th March 2025 worth Rs. 5,000, not received by the HO till 31st March 2025.

3. Briefly explain the objectives of conversion of Single Entry System of accounting.

4. From the following information related to Mr. Manoj for the year ended 31st March 2025, find out the Gross Profit Ratio.

- | | |
|-----------------------------------|--------------|
| a) Opening Stock as on 01-04-2024 | Rs. 2,00,000 |
| b) Closing Stock as on 31-03-2025 | Rs. 2,25,000 |
| c) Purchases during the year: | |
| i) Cash Purchases | Rs. 2,00,000 |
| ii) Credit Purchases | Rs. 4,10,000 |
| d) Carriage Inwards | Rs. 25,000 |
| e) Sales during the year: | |
| i) Cash Sales | Rs. 4,00,000 |
| ii) Credit Sales | Rs. 6,20,000 |
| f) Direct Wages | Rs. 1,00,000 |
| g) Return Inwards | Rs. 20,000 |
| h) Return Outwards | Rs. 10,000 |

5. Santosh Transport Company, purchased a car under hire purchase system for a cash price of Rs. 9,60,000. Rs. 3,60,000 was paid on signing the agreement. The balance is payable in three installments of Rs. 2,00,000 each together with 10% interest p.a. Depreciation is to be charged @ 20% p.a. under reducing balance method.

Calculate the total interest payable by Santosh Transport Company.



6. From the following information prepare departmental trading account for the year ended 31st March 2025.

Particulars	Dept. X	Dept. Y	Total
Stock on 1 st April 2024	50,000	60,000	1,10,000
Stock on 31 st March 2025	60,000	50,000	1,10,000
Purchases	2,50,000	3,30,000	5,80,000
Sales	4,00,000	6,00,000	10,00,000
Wages	-	-	1,00,000
Carriage Inwards	-	-	30,000
Power Charges	-	-	40,000

Apportion the expenses in proportion to turnover of each department.

SECTION - C

Answer any Two of the following questions. Each question carries 12 marks.

(2×12=24)

7. Determine the amount of claim for loss of stock from the following details.
Date of fire 30-09-2024

	Rs.	
Stock on 01-04-2023	1,80,000	
Stock on 31-03-2024	2,25,000	
Salvage	20,000	
Policy amount	1,35,000	
Particulars	2023-24	01-04-2024 to 30-09-2024
	Rs.	Rs.
Purchases	10,00,000	6,00,000
Sales	16,00,000	10,00,000
Wages	1,55,000	50,000
Carriage Inwards	95,000	30,000
Carriage Outwards	1,65,000	60,000

Stocks have been always valued at 10% below cost.



8. Mr. Ramesh purchased a machine from Machines Ltd., on 1st April 2021 on hire purchase system. The cash price of the machine is Rs. 3,60,000. The terms of the agreement provided that, Rs. 58,863 to be paid as down payment, and the balance in installments of Rs. 95,000 each, at the end of every year, over four years. The first installment was paid on 31st March 2022. Rate of interest is 10% p.a. Mr. Ramesh decided to write off depreciation at the rate of 20% on reducing balance system.

Prepare necessary ledger accounts in the books of Mr. Ramesh.

9. Mr. Adithya carries on his retail business and does not keep his books double entry basis. However, the following information have extracted from his books.

Particulars	31-03-2024	31-03-2025
	Rs.	Rs.
Sundry Debtors	1,25,000	3,00,000
Sundry Creditors	1,00,000	2,25,000
Stock	25,000	50,000
Furniture	10,000	10,000
Machinery	25,000	25,000
Cash	15,000	?

Analysis of his cash book for the year ended 31-03-2025 showed the following.

Wages	Rs. 10,000
Carriage Inwards	Rs. 2,500
Sundry Expenses	Rs. 1,500
Rent, Rates and Taxes	Rs. 15,000
Advertisement	Rs. 5,000
Salaries	Rs. 30,000
Cash received from debtors	Rs. 3,00,000
Cash paid to suppliers	Rs. 2,10,000
Drawings	Rs. 10,000

During the year Mr. Adithya had taken goods costing Rs. 5,000 for his own consumption.

Depreciate machinery and furniture by 10%.

Prepare Trading and Profit and Loss account for the year ending 31st March 2025, and a Balance Sheet as on that date.

SECTION - D

Answer any One of the following question. This question carries 6 marks.(1×6=6)

10. List any Six common expenditures in departmental accounts.
11. Prepare a Memorandum Trading with imaginary figures.