

QP CODE: 23104543



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Reg No :

Name :

B.VOC DEGREE REGULAR EXAMINATIONS, JANUARY 2023

Fifth Semester

B.Voc Business Accounting and Taxation

TBOC505 - ADVANCED ACCOUNTING

2020 Admission Only

A42F98F3

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is meant by position statement?
2. List out various cash inflow from investing activities.
3. Give example for fixed income bearing investments.
4. Why companies issue right shares?
5. Explain the provisions of AS 13 ?
6. What is meant by departmental accounting?
7. Define dependent departments.
8. What are the components of transfer price?
9. What is branch accounting?
10. What is debtors method?
11. Mention the need for preparation of statement of affairs.
12. How to resolve incompleteness of accounts?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Elaborate the need for the preparation of financial statement.



14. State the importance of financial statement.
15. In 2011, M/s. VD Ltd. issued 12% fully paid debentures of Rs.100 each, interest being payable half yearly on 30th September and 31st March of every accounting year. On 1st December, 2017, M/s. Z&T purchased 10,000 of these debentures at Rs.101 cum-interest price, also paying brokerage @ 1% of cum-interest amount of the purchase. On 1st March, 2018 the firm sold all of these debentures at Rs 106 cum-interest price, again paying brokerage @ 1 % of cum-interest amount. Prepare Investment Account in the books of M/s. Z&T for the period 1st December, 2017 to 1st March, 2018.
16. Differentiate long term investments with short term investments based on examples.
17. Suman Ltd. is a departmental store having three departments X, Y and Z. The information regarding three departments for the year ended 31st December, 2018 are given below:

	X	Y	Z
Opening Stock	72,000	48,000	40,000
Purchases	2,64,000	1,76,000	88,000
Sales	3,60,000	2,70,000	1,80,000
Closing stock	90,000	35,000	42,000
Floor space (In sq. ft.)	3,000	2,500	2,000
No. employees	25	20	5

The balance of other revenue items in the books for the year are given below; • Carriage Inwards - 6,000 • Discount allowed - 2,250 • Rent, Rates and Taxes - 7,500 • Salaries -50,000

18. The TR Ltd. invoiced goods to its Kochi branch at cost, from the following information prepare branch account.
1. Balances as on 1.1.2018: • Stock -35,600 • Debtors - 10,000 • Petty Cash, -700
 2. Goods sent from H.O. -46,000
 3. Cash Sales 37,500
 4. Credit Sales 58,400
 5. Salaries & Wages -6,500
 6. Rent & Rates -800
 7. Sundry Expenses -2,000
 8. Balances as on 31.12.2018: • Stock -9,500 • Debtors -14,000 • Petty Cash 9800
19. Give the journal entries that would be passed in the books of the head office to record the following transactions: i) Goods amounting to Rs. 5,000 transferred from Madras branch to Bombay branch ii) Depreciation on branch fixed assets accounts maintained by the head office: (Bombay Rs. 6,000 and Madras Rs. 8,000). iii) A remittance of Rs. 9,000 made by Bombay branch to head office iv) Goods worth Rs. 20,000 sent by the head office to Madras branch v) A sum of Rs. 15,000 is to be charged to the Madras branch for administrative services rendered by the head office.
20. Explain the advantages of single entry system.



21. From the following information calculate the total purchases : • Opening balance of Bills Payable- 15,000 • Opening balance of creditors- 18,000 • Closing balance of Bills Payable- 21,000 • Closing balance of creditors - 12,000 • Cash paid to creditors during the year -90,600 • Bills Payable discharged during the year -26,700 • Purchases Returns - 3,600 • Cash Purchases - 77,400

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. On 1st January 2011, Singh had 20,000 equity shares in X Ltd. Nominal value of the shares was Rs. 10 each but their book value was Rs. 16 per share. On 1st June 2011, Singh purchased 5,000 more equity shares in the company at a premium of Rs. 4 per share. On 30th June, 2011, the directors of X Ltd. announced a bonus and rights issue. Bonus was declared at the rate of one equity share for every five shares held and these shares were received on 2nd August, 2011. The terms of the rights issue were : (a) Rights shares to be issued to the existing holders on 10th August, 2011. (b) Rights issue would entitle the holders to subscribe to additional equity shares in the Company at the rate of one share per every three held at Rs. 15 per share-the whole sum being payable by 30th September, 2011. (c) Existing shareholders were entitled to transfer their rights to outsiders, either wholly or in part. (d) Singh exercised his option under the issue for 50% of his entitlements and the balance of rights he sold to Ananth for a consideration of Rs. 1.50 per share. (e) Dividends for the year ended 31st March, 2011, at the rate of 15% were declared by the Company and received by Singh on 20th October, 2011. (f) On 1st November, 20X1, Singh sold 20,000 equity shares at a premium of Rs. 3 per share. The market price of share on 31-12-2011 was Rs. 14. Show the Investment Account as it would appear in Singh's books on 31-12-2011 and the value of shares held on that date.

23. M/s Trace is a departmental store having three departments A, B and C. The information regarding three departments for the year ended 31st March, 2019 are given below:

	A	B	C
Opening Stock	46,000	44,000	50,000
Purchases	1,50,000	1,00,000	50,000
Sales	2,40,000	1,60,000	80,000
Closing stock	45,000	17,500	21,000
Value of furniture	20,000	20,000	10,000
Floor space (in sq. ft.)	3,000	2,500	2,000
Number of employees	25	20	15
Electricity (in units)	300	200	100

The balances of other revenue items in the books for the year are given below:

Amount (Rs.) a) Carriage inwards 3,000 b) Carriage outwards 2,700 c) Salaries 48,000 d)



Advertisement 2,700 e) Discount allowed 2,250 f) Discount received 1,800 g) Rent, Rates and Taxes 7,500 h) Depreciation on furniture 1,000 i) Electricity expenses 3,000 j) Labour welfare expenses 2,400 You are required to prepare Departmental Trading and Profit and Loss Account for the year ended 31st March, 2019

24. PO Ltd. invoiced goods to its Manglore branch at cost. The following is a summary of the transactions entered into at the branch during the year ended December 31, 2018.
- a) Balances as on 1.1.2018: • Stock 17,000 • Debtors-17,600 • Petty Cash, 500 b) Goods sent from H.O. 38,000 c) Goods returned to H.O. 5,000 d) Cash Sales 37,500 e) Credit Sales 49,400 f) Allowances to customers 200 g) Discount to customers 2,400 h) Bad Debts-600 i) Goods returned by customers-600 j) Salaries & Wages-7,200 k) Rent & Rates -1,600 l) Sundry Expenses-900 m) Cash received from Sundry Debtors-38,500 n) Balances as on 31.12.2018: • Stock -7,500 • Debtors-15,800 • Petty Cash-400 Prepare: Branch Stock Account, Branch Debtors and Branch Expenses Account by adopting the Stock and Debtors Method and Branch Trading and Profit & Loss Account.
25. Ram has not kept proper books of accounts prepare the statement of profit or loss for the year ending December 31, 2016 from the following information: 01/1/2016 31/12/2016
- Cash in hand- 20,000 46,000 • Debtors- 40,000 90,000 • Creditors- 10,000 46,000 • Bills receivable- 30,000 44,000 • Bills payable- 4,000 42,000 • Car- 15,000 80,000 • Stock- 40,000 30,000 • Furniture- 8,000 48,000 • Investment- 60,000 80,000 • Bank balance- 1,00,000 90,000 The following adjustments were made: (a) Krishna withdrew cash Rs 5,000 per month for private use. (b) Depreciation @ 5% on car and furniture @10%. (c) Outstanding Rent Rs 6,000. (d) Fresh Capital introduced during the year Rs 30,000.

(2×15=30)