

SEAT No. \_\_\_\_\_

No. of Printed Pages: 4

[7/A-2]

**SARDAR PATEL UNIVERSITY**  
**B.COM.EXAMINATION :1st SEMESTER**  
**FRIDAY, DATE: 23<sup>rd</sup> September, 2022**



TIME: **09:30 A.M. to 11:30 A.M.**  
 SUBJECT/COURSE CODE: **UB01ECOM02**. PAPER NO: II  
 SUBJECT/COURSE TITLE: **Advanced Accounting -II.**

Total Weightage/Marks:60

**Note:(1)** From the following eight questions, write any four question's answer.

**(2)** All questions carry equal marks.

**Que.1.** AK Traders of Ahmedabad invoiced goods to their Baroda branch at Cost (15)

price, but with the instruction to sell the goods at a profit of 25% on cost. Branch makes both cash and credit sales and remits all cash received to the Head office through bank-draft. All the expenses of the branch are paid by the Head office, but for petty disbursement the Head office sends petty cash of Rs. 500 to the branch at the beginning of each month.

Following details are available in respect of the branch for the year ended 31st March, 2021 :

**Balances as on 1-4-2020**

	Rs.
Furniture (cost price Rs. 25,000)	20,000
Stock of goods	40,000
Debtors	25,000
Petty cash	1,500
Outstanding rent	400
Prepaid salaries	1,200

**Transactions during the year :**

Goods sent to the branch	2,00,000
Goods returned by the branch	12,000
Goods returned to the branch by debtors	6,000
Cash sales	1,90,000
Rent and taxes	10,000
Salaries	18,000
Petty expenses	2,600
Insurance (for the year ending on 31-7-2021)	1,500
Bad-debts	2,200
Cash received from debtors (including bad-debts recovered Rs. 2,000)	67,000
Total sales	2,90,000
Discount allowed to debtors	8,000
Furniture sent to the branch (on 1-10-2020)	15,000
Petty Cash with branch (31-3-2021)	500
Debtors (31-3-2021)	45,300

Depreciation of furniture is to be provided at 10% per annum as per straight line method.

Advertisement expenses Rs. 1,200 are yet to be paid. Branch has sold the goods as per H. O. instruction.

In the books of head office, prepare :(1) Branch Account (2) Branch Trading and Profit and Loss Account (3) Branch Petty Cash Account.

Que. 2. Describe:

(15)

- (1) Difference between Sales through Consignment and Branch.
- (2) Types of Branch.
- (3). Remittance in Transit and Goods in Transit.

Que. 3. Shri Mangabhai, who is farmer furnished the following information for the year ended on 31-3-21. (15)

Balances	As on 1-4-20(Rs.)	As on 31-3-21 (Rs.)
Live Stock	1,00,000	1,40,000
Grain	10,000	6,000
Seeds	5,000	8,000
Fertilizer	2,000	----
Unpaid wages	5,000	-----
Pre paid wages	---	3,000

**Other transactions:**

Purchases:	Seeds	9,000
	Fertilizer	10,000
	Live stock	70,000
Sales:	Milk & Milk product	50,000
	Grains	1,60,000
	Grass	20,000
	Live stock	40,000
	Vegetable	30,000
	Water charges	10,000
	Wages	25,000
	Land revenue	2,000
	Govt. subsidy	20,000
	Tractor expenses	10,000
	Fencing expenses	10,000
	6% Loan	50,000
	Interest paid on loan	2,000

**Additional information:**

- 1) Grains of Rs. 10,000 and Vegetable of Rs. 2,000 was taken for the personal use.
- 2) Grains of Rs. 6,000 given to the worker in lieu of wages.
- 3) Fencing expenses are to be written off within 4 years.

From above information prepare Farm A/c for the year ended on 31-3-'21.

Que. 4. (A). Write short note: Important of farm account in India.

(08)

(B). Discuss important sources of income in Farming.

(07)

Que. 5. Shri Jigar is a chartered accountant; who submits the following receipts and payments account, for the year ended 31-12-2021. ((15)

### Receipts and Payments Account

Receipt	Rs.	Payment	Rs.
To Balance b/d	15,000	By salary	6,000
To audit fees	30,000	By rent	4,000
To consultation fees	10,000	By remuneration to article clerk	3,600
To income from other accounting work	2,400	By household expense	14,000
To examiners fees	1,600	By life insurance premium	2,000
To income from the college (as a Lecturer).	4,000	By misc. expenses	3,000
To other income	2,000	By telephone charges	3,000
		By books (1-07-2020)	8,000
		By membership fees	250
		By income tax	1,000
		By motor car expenses	2,750
		By balance c/d	17,400
	<b>65,000</b>		<b>65,000</b>

You are required to prepare Profit and Loss Account for the year ended 31-12-2021 and a balance sheet as on that date after taking into the following considerations:

1) He has the following assets on 1-1-2021.

Furniture Rs 5,000

Books Rs. 7,000

Other Assets Rs. 8,000

2) 1/5 of the motor car expenses and telephone charges related to household.

3) Depreciate furniture @ 5% p.a. and books @ 10% p.a.

Que. 6. (A). Write short note on : Apprentice Premium.

(06)

(B). Discuss : Methods of keeping accounts for professionals.

(09)

Que. 7. Shri Vijay Marvadi has filed a petition in insolvency on 31<sup>st</sup> March 2021. On that day his position was as follows: (15)

[P.T.O.]

Particulars	Debit Balance Rs.	Credit Balance Rs.	Estimated To Realise Rs.
Land and Building	1,80,000		1,60,000
Furniture	40,000		15,000
Investments	80,000		10,000
Debtors	50,000		10,000
Stock	30,000		15,000
<b>Creditors:</b>			
Loan against Land and Building		1,50,000	
Loan against Furniture		20,000	
Preferential Creditors.		10,000	
Other		40,000	
Bills Receivables	30,000		20,000
Cash and Bank	10,000		
Bills Payable		20,000	
Capital		1,80,000	
	<b>4,20,000</b>	<b>4,20,000</b>	

Other informations:

- Debtors include Doubtful Debts of Rs. 10,000 likely to realise 50% while Rs. 35,000 are bad debts.
- Receiver's remuneration and charges amounted to Rs. 5,000.

He started his business on 1-4-2017 with initial capital of Rs.1,00,000. The business resulted in to total profits of Rs. 65,000 ( 3 years) and loss of Rs. 5,000 for the fourth year , after allowing Rs. 40,000 interest on capital during this period. His total drawings for the whole period was Rs.20,000.

You are required to prepare, Statement of affairs and Deficiency Account for Shri Vijay Marvadi.

- Que. 8.(A)** Describe: Difference between statement of Affairs and Balance Sheet. (15)
- (B)** Explain: Deficiency Account.
- (C)** Describe: Fraudent- Preference.