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Total No. of Questions: 07

B.Com. (2011 & Onwards) (Sem. – 2) ADVANCED ACCOUNTING

M Code: 22008 Subject Code: BCOP-201 Paper ID: [B1117]

Time: 3 Hrs. Max. Marks: 60

INSTRUCTIONS TO CANDIDATES:

- 1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
- 2. SECTION-B contains SIX questions carrying TEN marks each and students have to attempt any FOUR questions.

SECTION A

- 1. Answer to each question shall be given in 2-5 lines.
 - a) What do we mean by revaluation account?
 - b) Explain Endowment fund.
 - c) What is the difference between Rent and Royalty?
 - d) What do we mean by account sales?
 - e) Explain difference between joint venture and partnership.
 - f) Explain abnormal losses.
 - g) What do you mean by down payment?
 - h) Explain gaining ratio.
 - i) What is the difference between balance sheet and statement of Affairs?
 - j) What is the difference in fixed capital and fluctuating capital?

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SECTION B

- 2. Write a detailed note on:
 - a) Nazrana
 - b) Hire purchase and installment
 - c) Memorandum joint venture
- 3. What are the entries that are passed in the books of lessee in case of royalty?
- 4. What are the entries that are passed in books of consignor in consignment?
- 5. Below is the balance sheet of Krishan and Sudama who shares profits and losses in the ratio of 3:2 as on 31-12-2011.

Ral	lanca	sheet
Da	lance	SHEEL

		1,38,000		1,38,000
			Building	25,000
			Goodwill	10,000
Sudama	40,000	1,00,000	Cash	6,000
Krishna	60,000		Sundry debtors	15,000
Capital:			Stock	26,000
General reserve		20,250	Furniture	21,000
Bills payable		2,750	Patents	5,000
Sundry creditors		15,000	Plant and Machinery	30,000

On the date of the Balance Sheet, Balram is admitted as partner with 1/4th share in profits upon the following conditions:

- a) He is to contribute proportionate capital.
- b) Goodwill is to be valued at 2 years purchase of 4 years average profits which were Rs. 10,000, Rs. 9,000, Rs. 8,000 and Rs. 13,000 respectively.
- c) Plant and Machinery to be written down to Rs. 25,000 and patents written up to Rs. 9,000. A provision of 5% on debtors is required. A liability of Rs.500 included in sundry creditors is not likely to arise. Prepare ledger accounts on Balram's admission and give the Balance Sheet after admission.

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6. From the following information prepare a statement of affairs of Mr. Rahul who has been declared insolvent on 31st Dec., 2008:

Cash in hand Rs. 150; Book debts-good Rs. 45,000; Doubtful Rs. 20,000 (estimated to produce Rs. 11,000); Bad Rs. 4,200; Stock in trade Rs. 70,000 (estimated to produce Rs. 52,000); Bill receivable (good) Rs. 12,000; Office furniture Rs. 4200 (estimated to produce Rs. 3700); Plant & Machinery Rs. 8,000 (estimated to produce Rs. 6,200); Private bungalow Rs. 18,000 subject to mortgage of Rs. 9,200; Private furniture Rs. 4,000 (estimated to produce Rs. 2,800); Unsecured creditors Rs. 250,000; Creditors partly secured Rs. 160,000; Estimated value of security held Rs. 92,000. Outstanding liabilities: Rent for 4 months @ Rs. 750 per month; Salaries of the office staff for 3 months @ Rs. 500 per month.

7. Ram in Kolkata enters into a joint venture with Shyam in Mumbai to ship cotton to Han in Japan. Ram sends cotton at Rs. 60,000 and pays railway freight Rs. 3,000 and sundry expenses Rs. 3,150. Shyam sends goods valued at Rs. 41,500 and pays freight and insurance Rs. 2,400; dock dues 300; customs Rs. 1,000 and sundry expenses Rs. 1,300. Ram advanced to Shyam Rs. 12,000 on account of the venture. Shyam received from Han in Japan on account of sale for the whole of the goods amounting to Rs, 1,60,000. Shyam settled accounts by sending a cheque to Ram.

Show Journal entries in the books of Ram and Shyam.

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