



# SRI BHAGAWAN MAHAVEER JAIN EVENING COLLEGE

Affiliated to Bengaluru Central University,  
V V Puram, Bangalore – 560 004

## 2<sup>ND</sup> SEMSTER ASSINGNMENT

### Subject: ADVANCED FINANCIAL ACCOUNTING

**Note: Dear students submitting AFA assignment in form of writing, power point presentation and micro presentation(video conferencing)**

#### SECTION – B

**Answer all the Questions. Each question carries 5 marks**

1	Mr Ram consigned 50,000units costing RS 5each to Mr. Laxman. Mr. Ram incurred Rs10,000 for sending the goods 2,500 units were abnormally destroyed in transit. Mr laxman took delivery and paid Rs 1,500 for bringing the goods to the godown. Consignee sold 30,000 units at RS10each. Consignee paid selling expenses of Rs 10,000. Calculate value of abnormal loss and Closing stock.	<b>writing</b>												
2	The purchasing company agreed to issue 15,000 equity shares of Rs 10 each valued at Rs 12 each, 6,000 6% debentures of Rs 10 each at a discount of 5% pay cash equal to 10% of face value of shares and debentures issued.	<b>writing</b>												
3	Mr X owned certain patent rights. He granted a license to Y to use such rights on royalty basis. The following are the relevant particulars. <table border="1" data-bbox="224 840 1263 982"> <thead> <tr> <th>Year</th> <th>Minimum Rent(Rs)</th> <th>Royalty Earned (Rs)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>3750</td> <td>2500</td> </tr> <tr> <td>2018</td> <td>5000</td> <td>4000</td> </tr> <tr> <td>2019</td> <td>6250</td> <td>4500</td> </tr> </tbody> </table> <p>The deficiency of any one year is to be set off against excess payable within next two years. Prepare royalty table.</p>	Year	Minimum Rent(Rs)	Royalty Earned (Rs)	2017	3750	2500	2018	5000	4000	2019	6250	4500	<b>Micro presentation (Video presentation)</b>
Year	Minimum Rent(Rs)	Royalty Earned (Rs)												
2017	3750	2500												
2018	5000	4000												
2019	6250	4500												
4	Difference between consignment and sale Types of purchase consideration Types of commission	<b>PPT</b>												

#### SECTION – C

**Answer all QuestionsEach question carries 15 marks**

5	On 15 <sup>th</sup> august 2014 the premises of fire and stone were destroyed by fire but sufficient records were saved from which the following particulars were ascertained; <ul style="list-style-type: none"> <li>• Stock at cost 1<sup>st</sup> April 2013 Rs 73,500</li> <li>• Stock at cost 31<sup>st</sup> march 2014 Rs79,600</li> <li>• Purchases less return year ended 31<sup>st</sup> march 2014 Rs3,98.000</li> <li>• Sales les return year ended 31<sup>st</sup> march 2014 Rs4,87,000</li> <li>• Purchases less returns 1/4/14 to 15/8/14 Rs 1,62,000</li> <li>• Sales less returns 1/4/14 to 15/8/14 Rs 2,31,200</li> <li>• In valuing stock for balance sheet at 31<sup>st</sup> march 2014 Rs 2,300 has been written off certain stock which was a poor selling line, have cost Rs 6,900. A portion of these goods was sold in June 2014 a loss of Rs 250 on the original cost RS 3,450. The remainder of this stock was now estimated to be worth the original cost. Subject to the above exception, gross profit had remained at a uniform rate through. The stock salvaged was RS 5,800 show the amount of the claim.</li> </ul>	<b>Writing</b>
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6	<p>A sent 500 cases of goods to B of Bombay each costing Rs. 150 by paying freight and carriage of Rs. 2500 and Rs. 1000 loading charges and Rs. 1200 insurance. Consignee paid Rs.1800 for clearing charges and Rs. 1750 for warehousing and storage charges and Rs.900 as packing and selling expenses. He also remitted a bank draft for Rs. 15000 as advance. He sold 275 cases at Rs.200 each. B is entitled to the commission of 5% on sales. It was found that 50 cases have been lost in transit. Prepare necessary ledger accounts in books of both the parties.</p>	Writing																																
7	<p>Mr Z obtained from Y a lease of some coal bearing land, terms buying a royalty of Rs 5,000 per ton of coal extracted with a minimum rent of Rs 10,00,000 p.a. A ground rent of Rs 1,00,000 was also payable in addition to royalty. Each years short working had to be recouped strictly with in 2years following the year of shortworking. The out put as follows.</p> <table border="1" data-bbox="224 695 669 1024"> <thead> <tr> <th>Year</th> <th>Output</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>180</td> </tr> <tr> <td>2</td> <td>200</td> </tr> <tr> <td>3</td> <td>210</td> </tr> <tr> <td>4</td> <td>220</td> </tr> </tbody> </table> <p>Journalize the above transaction and ledger accounts</p>	Year	Output	1	180	2	200	3	210	4	220	Writing																						
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8	<p>A, B and C are partners sharing profits in the ratio of 3:2:1. They decided to convert their partnership into a company on which date their balance sheet was as follows:</p> <table border="1" data-bbox="297 1194 1107 1780"> <thead> <tr> <th>Liabilities</th> <th>Rs</th> <th>Assets</th> <th>Rs</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td>8,000</td> <td>Buildings</td> <td>11,400</td> </tr> <tr> <td>Capitals</td> <td></td> <td>Stock</td> <td>10,000</td> </tr> <tr> <td>A</td> <td>17,400</td> <td>Debtors 10,000</td> <td></td> </tr> <tr> <td>B</td> <td>8,000</td> <td>Less:PDD 1,000</td> <td>9,000</td> </tr> <tr> <td>C</td> <td>6,000</td> <td>Cash</td> <td>6,000</td> </tr> <tr> <td></td> <td></td> <td>Profit and loss</td> <td>3,000</td> </tr> <tr> <td></td> <td><b>39,400</b></td> <td></td> <td><b>39,400</b></td> </tr> </tbody> </table> <p>The new company took over the asset and liabilities and agreed to pay purchase price of Rs 32,900 by the allotment of 1,800 equity shares of Rs 10each and the balance in cash. The partners agreed to share the shares as per their profit sharing ratio. Pass the</p>	Liabilities	Rs	Assets	Rs	Creditors	8,000	Buildings	11,400	Capitals		Stock	10,000	A	17,400	Debtors 10,000		B	8,000	Less:PDD 1,000	9,000	C	6,000	Cash	6,000			Profit and loss	3,000		<b>39,400</b>		<b>39,400</b>	Writing
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	journal entries to close the books of the firm and also prepare the necessary ledger account.		
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