

Total No. of Printed Pages:4

SUBJECT CODE NO:- 3038
FACULTY OF COMMERCE & MANAGEMENT
B.Com T.Y Sem-V

Examination March/April-2022 (To be held in June/July-2022)
Advanced Financial Accounting-I

[Time: 3:45 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

N.B

1. Question No1. Is compulsory.
2. Solve any four questions from Q. No. 2 to Q. No-7

Q.1 A) Select appropriate answer from the following given alternatives. 05

1. In Single entry system its difficult to detect _____
 - a. Account
 - b. Fraud
 - c. Profit
 - d. Gross profit
2. Single entry contributes incomplete records rather single entry _____
 - a. Credit
 - b. Profit
 - c. Accounting
 - d. Net profit
3. The banking regulation Act.
 - a. 1949
 - b. 1947
 - c. 1932
 - d. 1956
4. Core banking system _____ system.
 - a. Bank end
 - b. Work Had
 - c. Open end
 - d. Internet
5. _____ clause is applicable in case of under insurance.
 - a. Average
 - b. Normal
 - c. Short sale
 - d. None of these

B) Answer in one sentence / Word. 05

1. Investment account is _____
2. Accounting for investment is done as per _____
3. Cost of bonus shows is _____
4. Zero base budgeting first come out in _____
5. The key benefit is what serves to concentrate attention on the _____

C) Fill in the Blanks. 05

1. _____ system of book-keeping is the only scientific method is the method to record farming transaction.
2. Under pure single entry system only _____ account are kept.
3. Banking companies in India are governed by _____

4. _____ Manpower is hard task for management
5. Zero based budgeting first come out in _____

D) States the following sentence are true or false.

1. Computer account system is single entry as well as double entry system.
2. Credit balance of profit and loss account shows Net profit.
3. Balance sheet is a nominal account.
4. Trial balance is the base of final account
5. Life insurance business is carried on by Life Insurance Corporation of India since 1956.

Q.2 Mr. Rahul owns a departmental store having two departments, A & B. the following balance appeared in his books as on 31st march 2015.

Particulars	Dr.	Cr.
Opening stock Dep. A	6000	
Dep B	4000	
Purchase Dep A	8000	
Dep B	7000	
Carriage Inwards Dep A	200	
Dep B	100	
Sales Dep A.		15000
Dep B		14000
Salaries	3500	
Rent	600	
Bad Debts	300	
Advertisement	500	
Capital		8000
Drawing	700	
Sunday Debtors	1000	
Sunday creditors		5000
Furniture	8000	
Cash in hand	2100	
	42,000	42,000

Additional information :-

- 1) Stock on 31 march 2015. Dep A at Rs. 7000 and Dep B Rs. 6000
- 2) Depreciation on furniture at 10% p. a.
- 3) Credit sales are in the ratio 2:1
- 4) Staff is employed in the ratio 3:2
- 5) Area occupied by each department is equal.
- 6) Department A used furniture of the book value of Rs. 6000
- 7) Advertisement is be apportioned equally. Advertisement material of the value of Rs. 100 is on hand. It has not been adjusted in the accounts.

Prepare :-

- 1) Department Trading and P & L A/c for the year ended 31 march 2015

2) Balance sheet as at Date.

Q.3 The books Mr. Pandit showed the following details relating his transaction in 10% Government bonds 15

- 1) Purchase of the face value of Rs. 50,000 at Rs. 98 on 1-1-2014
- 2) Sales of the face value of Rs 40,000 at Rs 105 on 1-7-2014
- 3) Interest is payable on 1st January and 1st July.
- 4) He closes his account on 31st Dec every year.
- 5) The market price of the bond on 31-12-2014 was Rs. 2017

Q.4 From the following information prepare profit and loss account of Saraswat bank Lt. for the year ended 31st March 2004 15

	Rs.
Rebate on bills discounted	40,000
Interest on borrowings from other bank	8,000
Commission, exchange and Brokerage	20,000
Interest on Loans	20,8000
Profit on sales of investment	28,000
Loss on sale of investment	4,000
Income on investments	24,000
Interest on fixed deposits	2,20,000
Profit on exchange transaction	12,000
Loss on exchange transaction	4,000
Income from joint ventures	24,000
Dividend from X Ltd	16,000
Miscellaneous income	12,000
Salaries to staff	48,000
Printing & stationary	12,000
Law charges	8000
Branch Audit	4,000
Rents taxes and lighting	8,000
Advertisement	4,000
Depreciation on bank property	2,000
Directors fees & allowance	8,000
Auditors fees & expenses	4,000
Repair & maintenance	8,000
Insurance	4,000
Interest on Balance with R Bank	16,000
Other expenditure	5,000
Discount on bills discounted	1,80,000
Interest on cash credit	2,75,000
Interest on current accounts	50,000
Interest on saving deposit	1,00,000
Retained profit on 1-4-04	1,00,000

Bad Debts written of amounted to Rs 40,000 Provision for Taxation may be made 50% prepare profit & Loss Ac and necessary schedules

Q.5 The books of the Marathwada Insurance Company Ltd. Contained the following information in respect of fire insurance as on 31st Dec 2014 15

	Rs.
Reserve for unexpired Rison. 31-12-13	5,00,000
Additional reserve on 31-12-13	1,00,000
Claims paid	6,50,000
Outstanding claims on 31-12-13	60,000
Outstanding claims on 31-12-13	90,000
Legal expenses regarding claims	80,000
Expenses of management	2,00,000
Premium	11,00,000
Commission Agents	50,000
Interest and dividends	70,000
Income tax on above	10,000

The company decided to :

- 1) Make precision per unexpired risk at 50% of the premium
- 2) Maintain additional reserve at Rs. 10000

Prepare in the prescribed from the fire insurance Revenue account for the year ended 31st Dec 2014

Q.6 Explain the importance of social accounting? 15

Q.7 Write a short notes (Any three) 15

1. Social Balance sheet
2. Method of Departmental Accounting
3. Principle of Insurance
4. Banking Regulation Act. 1949
5. Method of Investment Account