

Roll No



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SET-A**

**SCHOOL OF COMMERCE  
END TERM EXAMINATION – MAY/JUNE 2024**

**Semester :** Semester VI

**Course Code :** COM3037

**Course Name :** Advanced Financial Accounting

**Program :** B.Com. Honors

**Date :** June 03, 2024

**Time :** 09.30am to 12.30pm

**Max Marks :** 100

**Weightage :** 50%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

**PART - A**

**ANSWER ANY 5 QUESTIONS**

**5Q X 2M = 10M**

1. Define the journal entry of calls in arrears. (CO1) [Knowledge]
2. Describe Pro-forma Invoice. (CO2) [Knowledge]
3. Describe Joint Venture Accounting. (CO3) [Knowledge]
4. Describe the meaning of recoupment of short working. (CO4) [Knowledge]
5. List out the name of standards which is the basis for governmental accounting. (CO5) [Knowledge]
6. Define Royalty Accounting. (CO4) [Knowledge]
7. Define Governmental Accounting. (CO5) [Knowledge]

**PART - B**

**ANSWER ANY 5 QUESTIONS**

**5Q X 10M = 50M**

8. Prepare a note on Preference shares, feature and types. (CO1) [Comprehension]

9. One of your friend was worried about the goods he is having with him. Actually he wants to sell that products but unfortunately he does not have the required facilities for the same. He approached you and told you about his concern. Then you told him about the consignment accounting about what he was completely unaware. Now you have to explain him consignment Accounting and its features.  
(CO2) [Comprehension]
10. Joint venture and consignment are having lots of similarities. Even though there are many more difference between these two as these are two different aspects in the field of accounting. Differentiate between joint venture and Consignment Accounting.  
(CO3) [Comprehension]
11. AB Ltd. got the lease of a colliery on the basis of Rs.5 per ton of coal raised subject to a Minimum Rent of Rs.1,00,000 p.a. The tenant has the right to recoup short-workings during first four years of the lease and not afterward. Assume that the year ends on 31 December every year. The output in four years was 9000, 13000, 25000, 27000 and 50000 respectively. Give the Journal entries in the books of AB Ltd.  
(CO4) [Comprehension]
12. There are many laws and regulation which is applicable for government accounting. It is also based on some principles. Explain the various principles of governmental accounting.  
(CO5) [Comprehension]
13. Rajesh and Suresh entered into a contract to construct a building for Rs. 4,00,000. Rajesh and Suresh contributed Rs. 2,00,000 and Rs. 1,50,000 respectively. They agreed to share profits and losses in the ratio of 4:3. It was decided that the work will be looked after by Rajesh who will be paid 5% commission on contract price in addition to his share of profits. Rajesh purchased the necessary materials for Rs. 3,20,000 and paid Rs. 9,000 for expenses. Rajesh also contributed building materials from his own stock worth Rs. 20,000. Rs. 5,000 remained to be paid for wages. Suresh took over the stock of materials for an agreed valuation of Rs. 16,000. The building was completed and the contract money was duly received. Record the above transactions in the books of Rajesh and show the Joint Venture Account and Suresh's Account assuming that the outstanding wages were paid, by Rajesh.  
(CO3) [Comprehension]
14. Bee Ltd. took a right to publish and sell books from Smith for 5 years. The minimum rent was fixed at ₹20000. Royalty was fixed at ₹4 per book. Bee Ltd. has a right to recoup the short-workings in the first 4 years. The sales in the 5 years are given. Calculate the Royalty payable and short-workings. No of books sold are 3000, 4000, 6000, 6500 and 8000 respectively in 1, 2, 3, 4 and 5 years  
(CO4) [Comprehension]

### PART - C

ANSWER ANY 2 QUESTIONS

2Q X 20M = 40M

15. Priya Ltd. Of Chennai sent 500 pieces shirting to Anna textiles, Delhi, on consignment basis. The consignees are entitled to receive 15 per cent commission plus expenses. The cost to Priya Ltd. is ₹400 per piece.  
**Anna textiles, Delhi, pay the following expenses:**  
Railway Freight, etc. ₹2,500  
Go-down Rent and insurance ₹ 1,000  
Raja Mills Ltd., draw on the consignees a draft for ₹40,000 which is duly accepted. It is discounted for ₹32500. Later Anna textiles, Delhi, reported that the entire consignment has been sold for ₹90000. Prepare necessary journal entries and the important ledger accounts in the books of the consignor.  
(CO2) [Application]

16. X Ltd. took a right to publish and sell a book from Bharat for 5 years. The minimum rent is ₹20000. Royalty is ₹5 per book. Bharat has allowed a right to recoup the short-workings to the X Ltd. in the first 4 years. The sales in the 5 years are:

Year	Books Sold
1	2500
2	3000
3	4500
4	5000
5	6000

(CO4) [Application]

17. X Ltd. invited applications for 50,000 Shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows :

On Application Rs. 3

On Allotment Rs. 5 (including Rs.2 premium)

On First Call Rs. 3

On Second and Final Call Rs. 2

Mohan to whom 500 shares were allotted failed to pay the allotment money and his shares were forfeited immediately after allotment. Suman who applied for 1,000 shares failed to pay first call and his share were forfeited immediately after first Call. Second and final call was made. All the money due on second call have been received. All 1000 shares forfeited were reissued as fully paid-up for Rs. 8 per share, which included the whole of Suman's shares. Record necessary journal entries in the books of X Ltd.

(CO1) [Application]