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Q.P. Code: 32221

Second Semester B.Com. Degree Examination, May/June, 2026

(NEP Scheme)

COMMERCE

(NCB 0210) Advanced Financial Accounting

Time : 2 Hours Max. Marks : 60

Instructions to students:

1. **The students should legibly write section number along with question numbers.**
2. **The answers without section number and question numbers will not be valued.**
3. **Section - I Multiple choice questions should be answered in the first page of main answer book and some questions shall not be answered repeatedly.**
4. **Any identifications like marking, ticking, dots etc., in the options of MCQ Questions (Section-I) on the question paper is strictly prohibited. Do not write anything (except register number) on the question paper.**
5. **Ordinary calculator may be used.**

SECTION - I

I. Select the most appropriate answer from the options provided. ONE mark each. **(10x1=10)**

I-1. Basic fire policy does not cover with
a) Theft b) House Breaking
c) Earthquake d) All of these

I-2. When goods are transferred from one department to another department, they are called _____
a) Inter-departmental transfers b) Regular transfer
c) Current transfer d) Not a transfer

I-3. Branch Account is prepared to ascertain _____
a) P/L A/c. of the branch
b) Financial statement of the Branch
c) Assets and Liabilities of the Branch
d) None of these

I-4. A statement of affairs is prepared to _____
a) Know about liabilities b) Know about financial position
c) Know about Assets d) Know about Capital

I-5. If cash price is ₹ 25,000 and interest is ₹ 5,000, then what will be the Hire Purchase Price?
a) ₹ 22,000 b) ₹ 30,000
c) ₹ 35,000 d) ₹ 40,000

I-6. If the head office has sent goods worth Rs. 1,00,000 to Branch, then what will be the journal entry ? Passed in the Books of the Branch.

a) Head Office A/c. Dr. 1,00,000
To goods in transit A/c. 1,00,000

b) Goods in transit A/c. Dr. 1,00,000
To H.O. A/c. 1,00,00

c) Branch A/c. Dr. 1,00,000
To goods to branch A/c. 1,00,000

d) None of these

I-7. If gross profit is ₹ 6,00,000 and sales is ₹15,00,000, then what will be the Gross Profit Ratio?

a) 50% b) 60% c) 30% d) 40%

I-8. Area occupied Dept. X 400 sqft and Dept. Y 800 sqft, then what will be the ratio of X and Y.

a) 1:2 b) 2:3 c) 1:3 d) 2:2

I-9. If opening capital is ₹ 60,000, drawings ₹ 5,000, capital introduced during the period ₹ 10,000, closing capital ₹ 90,000. The value of profit earned during the period will be____

a) ₹ 20,000 b) ₹ 25,000 c) ₹ 30,000 d) ₹ 40,000

I-10. If value of stock on hand the date of fire ₹ 1,35,000 and value of stock salvaged is ₹ 45,000. What will be the actual value of stock lost?

a) ₹ 1,00,000 b) ₹ 95,000 c) ₹ 90,000 d) ₹ 1,10,000

SECTION - II

II. Answer any FIVE on the following. THREE marks each. (5x3=15)

II-1. What are the four steps in computing of fire claim amount?

II-2. Mention the three objectives of Branch Accounting.

II-3. What is Re-Possession?

II-4. On 01-01-2021 the asset of cash price of ₹ 3,720 was acquired on Hire Purchase System, payable ₹ 1,000 as advance and the remaining amount in 3 equal annual instalments of ₹ 1,000 each. Interest is charged at 5% p.a. Calculate interest.

II-5. From the following information calculate the amount of claim by Applying Average Clause.

(a) Actual loss of stock by fire ₹ 40,000
(b) Amount of policy ₹ 3,42,000
(c) Total value of stock on the date of fire ₹ 4,56,000

II-6. Arpitha Ltd., Bangalore, opened a new Branch at Shimoga. From the following figures prepare Shimoga Branch A/c. in the Books of the Head Office.

Goods sent to Branch	₹	5,000
Cash sent to Branch	₹	800
Cash sales of Branch	₹	9,000

II-7. From the following information prepare Departmental Trading Account.

		₹
Opening Stock	Dept. A	22,500
	Dept. B	10,500
Sales	Dept. A	1,47,000
	Dept. B	73,000
Purchases	Dept. A	1,12,500
	Dept. B	57,000

Closing Stock of Department A ₹ 15,000 and Department B ₹ 12,000

II-8. Ascertainment purchases when cost of goods sold is ₹ 2,00,000 opening stock ₹ 20,000, closing stock ₹ 50,000.

SECTION - III

III. Answer any THREE of the following questions, FIVE marks each. (3x5=15)

III-1. How do you allocate the following expenses in the Department Account?
(1) Rent (2) Lighting (3) Discount allowed (4) Discount received
(5) Wages and Salaries

III-2. What are the essential features of Hire Purchase Price?

III-3. Prepare Branch Debtors Account from the following information:

	₹
Opening balance:	
Stock of goods	33,000
Branch opening debtors	2,200
Closing balance:	
Stock of goods	35,000
Goods sent to Branch	1,17,000
Discount allowed to debtors	5,500
Credit sales	1,47,500
Cash remitted to Head Office:	
Cash sales	16,250
Collection from debtors	1,26,250
Rent	5,000

III-4. A fire occurred on 20th Sept. 2021 in the Head Phone Enterprises. Calculate the amount of fire claim from the information given below:

	₹
Stock on 1 April 2021	4,73,850
Purchases from 1 April to 20th September 2021	20,76,800
Wages	11,70,000
Sales upto the date of fire	30,42,000
Stock salvaged	1,00,000

Rate of gross profit is 30% on sales.