

2nd Sessional Examination, 2024
B. Com 5th Semester
Sub: Advanced Financial Accounting

Total Mark-40

Time: 2 hours

1. Answer the following question. (Any five)

2X5=10

- (a) What is minimum rent?
- (b) What are short sales in insurance claim?
- (c) Write two objectives of departmental accounting
- (d) What do you mean by Short workings?
- (e) What is Memorandum Trading Account?

2. Answer the following question. (Any two)

5X2=10

- a. What is indemnity period? Why is Average Clause in insurance claim?
- b. Explain how short workings Account is maintained in the books of lessee?
- c. What is inter departmental accounting? Write the accounting treatment of inter-departmental transaction, if
 - (i) it made at cost price, and
 - (ii) if it made at selling prices.

3. Answer the following question. (Any two)

- (a) Explain the various modes of dissolution of partnership firm.
- (b) A fire occurred in the premises of Bharat Stores on 25th August, where a large part of the stock was destroyed. Salvage was Rs. 15,000. Bharat Stores gives you the following information for the period January 1, to August 25.
 - (i) Purchases Rs. 85,000
 - (ii) Sales 90,000
 - (iii) Goods costing 5,000 were taken by Bharat Stores for personal use.
 - (iv) Cost price of stock on 1st January was Rs. 40,000.

Over the past few years, Bharat Stores has been selling goods at a consistent gross profit margin of $33\frac{1}{3}\%$. The insurance policy was of Rs 50,000. It included average clause.

Bharat Stores asks you to prepare a statement of claim to be made on the Insurance Company.

- (c) A company has taken a lease of land at a royalty of 5 per ton of limestone raised with a Minimum Rent of 30,000 p.a. having right to recoup Short workings from future surplus royalties within first 3 years of the lease. The output of 4 years is given below-

1 st year	4,500 tons
2 nd year	5,500 tons
3 rd year	8,500 tons
4 th year	5,800 tons

Prepare the Statement showing Royalty, minimum rent, lessor etc.
