Roll No…………………….. **Total No. of Printed Pages: [03]**

Total No. of Questions: [09]

B. Com (E-Commerce) (Semester: - 2nd)

ADVANCED ACCOUNTING

Subject Code: BCOM2204

Paper ID: 18140205

Time: 03 Hours **Maximum Marks: 60**

Instruction for candidates:

1. Section A is compulsory. It consists of 10 parts of two marks each.
2. Section B consists of 5 questions of 5 marks each. The student has to attempt any 4 questions out of it.
3. Section C consists of 3 questions of 10 marks each. The student has to attempt any 2 questions.

Section – A **(2 marks each)**

Q1. Attempt the following:

a. Write a note on Del Credere Commission.
b. What are the major characteristics of Joint Venture?
c. Give two merits of Hire Purchase system.
d. How can a partner retire from the partnership firm?
e. Write a brief note on Royalty.
f. With an example, briefly explain single entry accounting system.
g. Differentiate between Sale and Consignment.
h. Give an accounting treatment for 'life membership fee' while preparing the financial statements of a not-for-profit organisation?
i. Does partnership firm have a separate legal entity?
j. Describe what is interest on drawings?

Section – B **(5 marks each)**

Q2. Mohan and Sohan entered into a joint venture agreeing to share profits and losses in the ratio of 3:2.

On 4-1-2023, Sohan purchased goods costing Rs.60,000 and spent Rs.2,000 as expenses. On the same date he sent Mohan part of these goods costing Rs.40,000.

On 7-2-2023, Mohan sent Rs.30,000 to Sohan. On 10-2-2023, he purchased goods costing Rs.50,000 and sent half of the goods to Sohan. He paid Rs 1,000 for the carriage.

On 24-3-2023, Sohan sold most of the goods in his possession for Rs.55,000 and the remaining goods costing Rs.3,000 were taken over by him at an agreed valuation of Rs.4,000.

On 18-4-2023, Mohan sold all the goods in goods in his possession for Rs.75,000 except some damaged goods costing Rs.5,000 which it was agreed to be written off as unsaleable. His selling expenses amount to Rs.2,000.

On 30-4-2023, the amount required to settle the accounts between Mohan and Sohan was paid by the appropriate party.
Show Joint Venture Account and Mohan's Account in the books of Sohan.

Q3. What is the dissolution of a firm? State how and under what circumstances a firm may be dissolved.

Q4. The Bangla Mine Company obtained a mine on lease for a period of 30 years beginning from 1st January 2020 on the following terms:

1. To pay minimum rent of Rs. 24,000 per year.
2. Each year's excess of minimum rent over the actual royalties, i.e. shortworkings can be recovered during the subsequent two years.
3. Due to accident or strike minimum rent is to be reduced by 25 per cent for that year.
4. Royalty was to be calculated at 50 paise per tonne.

Production during four years from 2017 to 2020 was as follows:

Year	**2020**	**2021**	**2022**	**2023**
Production in tons	28,000	36,000	60,000	44,000 **(Strike for three Months)**

Open Minimum Rent Account, Royality's Account, Landlord's Account and Shortworkings Account in the books of the Bangla Mine Company.

Q5. X purchased a Machine on hire - purchase system. The total cash price of the machine is Rs. 31,960, payable Rs.8,000 down, and three instalments of Rs.12,000, Rs.10,000 and Rs.4,000 payable at the end of the first, second and third year respectively. Interest is charged at 5% p.a. Charge depreciation at 10% on straight line method. Prepare Ledger Accounts in the books of X.

Q6. What do you understand by Insolvency Accounts?

Section – C **(10 marks each)**

Q7. B whose accounting year ends on 31st May 2023, consigned 200 bags of sugar, each bag costing Rs.300 to A of Mumbai on 1st April 2023. He had paid Rs 1,000 towards freight and insurance, 30 bags were damaged in transit and on 31st May, 2023 the consignor received Rs.2,000 on account of the damaged bags from the insurance company.
A took delivery of the goods on 10th April 2023 and immediately accepted a bill drawn on him for Rs 40,000 for 60 days. On 31st May, 2023, the consignee reported that:
(i) 140 bags were sold at Rs 350 per bag;
(ii) The damaged bags were sold at Rs. 110 per bag; and
(iii) He had incurred the following expenses:
Godown rent Rs 1,400; clearing charges Rs.1,700 and carriage outwards Rs 600.
He is entitled to a commission of 10% on the sale proceeds of all goods sold.

Assuming that A remits the balance by bank draft on 31st May, 2023. Prepare Ledger Accounts in the books of B. also assume that no portion of the expenses incurred by the consignee is attributable to the damaged bags.

Q8. L, M and N partners share profits and losses in the ratio of 3:2:1. Their Balance Sheet at 31-3-2023 is as follows:

Liabilities	Rs.	Assets		Rs.
Sundry Creditors	9,000	Land and Building		15,000
Loan on Mortgage	7,000	Sundry Debtors	4,000	
General Reserve	4,500	Less: Provision for Bad Debts	200	3,800
Capital Accounts:		Stock		14,000
L 9,000		Furniture and Fittings		2,200
M 6,000		Suspense Account		500
N 5,000	20,000	Goodwill		5,000
	40,500			40,500

The partners agreed to dissolve the partnership and assets were realized ad follows:
Book Debts Rs.3,000; Stock Rs. 15,500; Furniture and Fittings Rs.3,000; Suspense Account Nil; L agreed to buy the firm's name and Godwill for Rs.10,000.
Sundry Creditors were paid in full settlement, Rs.8,200. Land and building revalued at Rs. 13,000 were taken over by M, with the consent of the mortgagee, subject to the Loan on Mortgage. Expenses of realization Rs.350.
There was contingent liability in respect of bills discounted of Rs.4,500. The acceptor of one bill of Rs.500 became insolvent and 50 paise in a rupee was recovered. The liability of the firm of Rs.500 on account of bills discounted and dishonored has not so far been recorded in the books.
Prepare necessary accounts to close the books of the firm.

Q9. What are Non – Profit Organizations? Which financial statements are usually prepared by Not-for-Profit Organisation?