



UNIVERSITY OF THE PUNJAB

PART-II: 2nd Annual - 2017

Examination: B. Com.

Roll No.

Subject: Advanced Financial Accounting
PAPER: BC-401

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

Q 1: Baby shoe of Lahore had a branch at Multan to which goods are invoiced at cost plus 25%. From the following information regarding Multan Branch, prepare Branch Account in the book of head office.

	Rs.
Opening Stock with branch	11,600
Closing Stock with branch	10,000
Credit Sales	30,500
Cash Sales	9,450
Cash received from debtors	19,200
Goods sent to branch	18,700
Goods in transit	1,300
Discount Allowed	2,500
Bad Debts	1,000
<u>Cash sent by Head Office to branch for:</u>	
Rent	1,500
Advertisement	2,600
Salaries	4,500
Sundry Expenses	750

Q 2: Ali Limited is a contractor for the construction of a pier for the Seafront Development Company. The value of the contract is Rs.300,000 and payment is by the engineer's certificate subject to a retention of 10% of the amount certified; this is to be held by the Seafront Development Company for six months after the completion of the contract. The following information is extracted from the records of Ali Limited.

Wages	41260
Material delivered to site by supplier	58966
Material delivered to site from store	10180
Hire of Plant	21030
Expenses charged to contract	3065
Overhead charged to contract	8330
Material on site on 30 th September	11660
Work certified	150000
Payment received	135000
Work in Progress (not the subject of a certificate to date)	12613
Wages accrued	2826
Material costing Rs.3384 was damaged and has to be disposed off for Rs.884	

REQUIRED: Prepare contract account, contractee account and also show the relevant items which will appear in the balance sheet.

Q 3: From the following Trading and Profit and Loss Account relate to Kashif Chemicals you are required to calculate:

- | | |
|--------------------------|----------------------------|
| (a) Gross Profit Ratio | (b) Operating Profit Ratio |
| (c) Operating Ratio | (d) Net Profit Ratio |
| (e) Stock Turnover Ratio | |

PARTICULARS	Rs.	PARTICULARS	Rs.
Opening Stock	10,000	Sales	280,000
Purchases	120,000	Closing Stock	20,000
Wages	20,000		
Gross Profit	150,000		
	300,000		300,000
Salaries	15,000	Gross Profit	150,000
Rent	25,000	Interest on Investment	2,000
Insurance	10,000		
Advertisement	14,000		
Interest on Debentures	8,000		
Net Profit	80,000		
	152,000		152,000

P.T.O.

Q 4: From the following Trial Balance of Mehran Pulic Limited Company, prepare Company's Final Account.

	Rs.		Rs.
Stock	15140	Share Capital:	
Purchases	32240	10,000 shares of Rs.10 each	100000
Rent	22000	Sales	135000
Wages & Salaries	8200	General Reserves	10000
Investment	48000	Creditors	4000
Plant & machinery	16000	Bills Payable	5000
Debtors	28000	Income from investment	1400
Bills Receivable	2000	Profit & Loss Account	13500
Cash	9560	Purchases Returns	2240
Land & Building	90000		
	271140		271140

ADJUSTMENTS:

1. Closing stock Rs.20000
2. Taxation provision required for the year Rs.6000.
3. Transfer Rs. 2000 to general reserves.
4. Plant & Machinery is to be depreciated @5% P.a.
5. Propose dividend @ 5%
6. Create provision for bad debts @5%.

Q 5: P Limited purchased machinery on hire purchase from Y Limited on 1st January 2001. The following are the particulars of the hire purchase agreement.

- a) Cash price of machine Rs.59685.
- b) Rate of interest 10% p.a.
- c) Depreciation to be charged @ 20% on the original cost.
- d) Hire purchase price was to be paid in three annual installment of equal value, the first installment becoming due and payable on 31st December 2001.

Required: Pass journal entries in the book of both the parties.

Q 6. The trading and Profit and Loss Account of Pak Electronic for the year ending March 31, 2002 is as under:

PARTICULARS	Rs.	PARTICULARS	Rs.
Purchases:		Sales:	
Transistors (X)	160,000	Transistors (X)	175,000
Tape Recorders (Y)	125,000	Tape Recorders (Y)	140,000
Repair (Z)	80,000	Repair (Z)	35,000
Wages	48,000	Stock on 31st March 2002:	
Rent	10,800	Transistors (X)	60,100
Sundry Expenses	11,000	Tape Recorders (Y)	20,300
Net Profit	40,200	Repair (Z)	44,600
	475,000		475,000

Prepare Departmental Account for each of the three departments X, Y and Z mentioned above after taking into consideration the following:

- (a) Transistors and Tape Recorder are sold at the show room. Servicing and repair are carried out at workshop.
- (b) Wages comprises: Show room 3/4, Workshop 1/4. The wages of show room be divided between department X and Y in the ratio of 1:2
- (c) The workshop rent is Rs.500 p.m. The rent of the show room is to be divided equally between dept. X and Y.
- (d) Sundry Expenses are to be allocated on the basis of turnover of each department.

Q 7: Explain different types of debentures.

Q 8: Define Company and explain its features.