



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Fourth Semester – 2019

Paper: Advanced Financial Accounting-II

Course Code: COMM-205/COM-22356 Part-I (Compulsory) Time: 15 Min. Marks: 10

Roll No. in Fig.

Roll No. in Words.

Signature of Supdt.:

ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.

Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Q.1. Encircle the right answer cutting and overwriting is not allowed. (10x1=10)

1. If the rate of gross profit for department A is 25% of cost, the amount of gross profit on a sale of Rs. 1 lac will be:
 - a. Rs. 25,000
 - b. Rs. 20,000
 - c. Rs. 33,333
 - d. None of these
2. Goods sent by the Head Office to the Branch, not received by the Branch are credited by the Head Office to:
 - a. Branch account
 - b. Goods in transit account
 - c. Trading account
 - d. Profit and loss account
3. When a branch purchases a fixed asset and the asset account is to be kept in the head office, branch:
 - a. Debits Asset account
 - b. Credit Head office account
 - c. Debit Head office account
 - d. None of these
4. Joint Bank Account is opened:
 - a. When no separate books for the venture are maintained
 - b. When separate books for the venture are maintained
 - c. Under memorandum basis
 - d. Under no circumstances
5. Non-departmental items of expenses are:
 - a. Charged to Departments on the basis of total sales
 - b. Charged to the General Profit and Loss Account
 - c. Charged to Departments according to the fixed assets employed
 - d. None of these
6. Under debtors system branch account is a:
 - a. Nominal account
 - b. Real account
 - c. Personal account
 - d. Contra account
7. Work certified is valued at:
 - a. Cost price
 - b. Sales price
 - c. Future price
 - d. None of these
8. Amount of bad debts in the absence of del-credre commission is borne by :
 - a. Consignment
 - b. Consignor
 - c. Consignee
 - d. None of these
9. In the books of consignee the expenses incurred by him on consignment are debited to:
 - a. Consignment account
 - b. Cash account
 - c. Consignor account
 - d. Expense account
10. In the case of del-credre commission, the liability for bad debts is on:
 - a. Consignee
 - b. Consignor
 - c. Principal
 - d. None of these



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Paper: Advanced Financial Accounting-II
Course Code: COMM-205 / COM-22356 Part – II

Time: 2 Hrs. 45 Min. Marks: 50

ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Q # 2 Give Short answers of the following questions: (20)

1. Define Joint Venture?
2. Define Escalation Clause?
3. What do you mean by del-credere commission?
4. What is the difference between Account Sales and Sales Account?
5. What is sub-contract?
6. What do you mean by independent branches?
7. Define Consignment Inward and Consignment Outward
8. Define two characteristics of financial lease.
9. What is difference between Branch and Department?
10. Give the objectives of departmental account?

Q # 3 Khurram Departmental Store has three departments: A, B, C. Following data is available with respect to each of the department: (10)

Departments	A(Rs.)	B(Rs.)	C(Rs.)
Opening stock	5000	3,000	2,500
Purchases	50,000	30,000	10,000
Sales	48,000	21,000	9,500
Closing stock	6,000	4,000	3,500

The opening and closing stock have been valued at cost. The expenses which are to be charged to each department in proportion to the cost of goods sold in the respective department are as follows:

Salaries	Rs. 5510
Rent and rates	Rs. 1450
Miscellaneous expenses	Rs. 1305

Required:

Show the final result and percentage on the sale in each department.

Q # 4 From the following details regarding to Multan branch, prepare a Branch Account in respect of 2017. (10)

Particulars	Amount Rs.	Particulars	Amount Rs.
Stock 1-1-2017	12,000	Returns to Head Office	4,800
Stock 31-12-2017	9,600	Bad Debts	600
Petty cash 1-1-2017	600	Discount Allowed	310
Debtors on 01-01-2017	10,000	Petty expenses paid by branch	700
Debtors on 31-12-2017	11,500	Returns from customers	3,000
Goods sent to branch	42,000	Expenses paid by head office:	
Cash sales	25,800	Salaries and wages	8400
Credit sales	36,000	Rent (1-1-2017 to 31- 3-2018)	5250
Normal loss	2,000	Cash sent for petty expenses by the head office	800

Q # 5 (10)

Contractors Ltd. took a contract in 2018 for bridge construction for Rs.5,00,000. At the end of 2018, the company had received Rs.1,80,000 being 90% of the work certified. Certain work not yet certified has cost Rs.5,000. Expenditure incurred were Material Rs. 25,000, Labour Rs.1,50,000, Plant Rs.10,000. Material casting Rs.2,500 was damaged and had to be disposed of for Rs.500.

Plant is considered as having depreciated by 25%.

Prepare contract account and other relevant ledger accounts. Show your calculation of the profit to be credited to the profit and loss account for the year 2018.