

Bachelor of Commerce with Accountancy, Finance and Insurance (BAFI)

Examination : April - 2026

Day & Date	Semester	Subject Name	Time	Code	Max. Marks
Thursday 09.04.2026	III Repeater	Advanced Financial Accounting	02.30 p.m. to 05.00 p.m.	341219	75

Instructions: -

I) Attempt any three questions from Q.1. to Q.5.

II) Each Question carries 25 Marks

Q.1 Jackson Departmental Stores has two departments: Department A for sports equipments & Department B for musical instruments.

Following information is given regarding the transactions for the year 2024:

Particulars	Amount
Opening Stock: Department A	42,000
Department B	34,000
Purchases: Department A	2,56,000
Department B	1,94,000
Sales: Department A	4,30,000
Department B	3,74,000
Return Inwards: Department A	10,000
Department B	14,000
Wages	45,000
Salaries	40,000
Advertising Expenses	26,000
Insurance Charges	3,800
Rent & Taxes	36,000
Electricity Charges	40,000
Bad Debts	3,900
Carriage Inwards	9,000
Discount Allowed	3,250
Discount Received	2,250
Office and General Expenses	21,000

Additional Information:

- Closing Stock of Department A was 54,000 and Department B was 40,000.
- Insurance was taken for stock of goods on the basis of opening stock of each department.
- Department A occupies half of the space than Department B whereas the electricity
- Wages are incurred in proportion of purchases of each department whereas, both the departments employ same number of employees in the office.
- Office and general expenses to be apportioned to Department A and Department B in the ratio of 2:1 respectively.
- During the year, the goods costing 15,000 transferred to Department A from Department B, not considered above.

Prepare Departmental Trading and Profit & Loss A/c for the year ended 31st December, 2024.

- Q.2** M/s Spandan Transport purchased a bus on hire purchase basis from M/s. Volvo Ltd. on 1st January, 2024. The cash price of the bus was 30,00,000. An initial payment of 12,00,000 was made on the date of purchase. The balance was paid in 3 annual Installments excluding Interest as follow:

31-12-2024 Rs. 6,50,000

31-12-2025 Rs. 6,00,000

31-12-2026 Rs. 5,50,000

M/s Volvo Ltd. charged Interest 10% p.a. and M/s Spandan Transport charged Depreciation @15% p.a. on WDV method. You are required to prepare BUS a/c and M/s Volvo a/c in the books of M/s Spandan Transport for 3 years ending 31.12.2024, 31.12.2025, 31.12.2026.

- Q.3** A fire occurred in the premises of Ms. Deepa on 14-10-2023. From the following particulars ascertain the loss of stock and prepare a statement of claim to be lodged with Insurance Company:

Particulars	Amount
Stock as on 1-1-2023	61,200
Purchases from 1-1-2023 to 31-12-2023	2,44,000
Sales from 1-1-2023 to 31-12-2023	3,60,000
Stock as on 31-12-2023	54,000
Purchases from 1-1-2024 to 14-10-2024	2,94,000
Sales from 1-1-2024 to 14-10-2024	3,00,000

The stocks were always valued at 90% of cost price. Salvage was Rs. 36,000. The amount of Policy was Rs. 1,26,000.

The claim was subject to average clause.

- Q.4** Following is the balance sheet of Laal Ltd & Baal Ltd as on 31 March 2025 :

Liabilities	Laal Ltd	Baal Ltd	Assets	Laal Ltd	Baal Ltd
12% Preference Share of Rs. 100 each	4,50,000	-	Goodwill	75,000	-
Equity share of Rs.10 each	10,50,000	6,00,000	Land & Building	-	4,20,000
Security Premium	62,500	15,000	Plant & Machinery	8,25,000	5,40,000
CRR a/c	2,00,000	-	Other Fixed Assets	6,50,000	1,20,000
General Reserve	2,00,000	3,00,000	Debtors	5,50,000	3,50,000
P & L a/c	97,500	-	Bank	3,50,000	1,50,000
14% Debenture of Rs.100	3,00,000	3,50,000	Stock	5,00,000	2,20,000
Creditors	4,00,000	4,50,000	Discount on Debentures	10,000	5,000
Bills Payables	2,00,000	90,000			
	29,60,000	18,05,000		29,60,000	18,05,000

On 1-4-2025 they decided to amalgamate and to form a new company named Pal Ltd. Terms of amalgamation are as under:

- a) Pal Ltd. will issue 3,000, 15% Debentures of 100 each to the Debenture holders of Laal Ltd

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- b) The debenture holders of Baal Ltd. agreed to the allotment of Equity shares in Pal Ltd. Accordingly, 30,000 Equity shares of 10 each are issued at par to them.
- c) Preference shareholders of Laal Ltd. were allotted 4,500, 15% Redeemable Preference Shares of 100 each in Pal Ltd:
- d) Equity shareholders of Laal Ltd. are allotted 10 Equity shares of 10 each in Pal Ltd. for every 7 Equity shares held in Laal Ltd. at a premium of 2 per share.
- e) Plant and Machinery of Laal Ltd. were valued at 12,00,000. Other tangible assets and liabilities were to be taken at book values.
- f) Assets and Liabilities of Baal Ltd. were valued as under:

Assets:

- Goodwill 1,20,000; Land and Building 7,80,000; Plant and Machinery 4,50,000; Other Fixed Assets 60,000; Stock was to be undervalued by 20,000 and Debtors were to be undervalued by 30,000.

Liabilities were accepted as under:

- Creditors at 10% discount and Bills payable at book value.
- g) Pal Ltd. was to issue necessary number of Equity shares of 10 each at par to Baal Ltd. for the Equity shareholders.
- You are requested to:
1. Calculate Purchase consideration of both the companies.
 2. Also prepare Balance Sheet of New Company after giving Journal Entries.

Q.5 Short note (Any 3)

- i. Fire Insurance claim
- ii. Net Purchase Method
- iii. Hire Purchase Method
- iv. Segregation of Expenses
- v. Distinction between Absorption & Amalgamation

**** End ****