S T Lav

Sessional Examination, 2024
B.Com 3rd Semester (Major)
Sub : Advanced Financial Accounting

Full Marks : 20 **Time : 1 hour**

The figures in the margin indicate full marks for the questions.

Answer any two of the following :

1. A company took a mine on lease at a royalty of Rs 5 per ton with a minimum rent of Rs 30,000 per year. Each year's excess of minimum rent over actual royalty is recoupable out of the royalties for the next two years. It is provided in the lease deed that in the event of a strike or lockout and actual royalty being less than minimum rent, minimum rent would be proportionately by reduced having regard to the length of the stoppage. The output for four years is given below :

Year	Output (tons)
2020	NIL
2021	5500
2022	5000 (Strike for 3 months)
2023	4000 (Lockout for 4 months)

Prepare (1) Land lord Account and (2) Short working Account in the books of Lessee.

2. What is Shortworking ? Explain the accounting treatment of Shortworking for recoverable Short working, recoupment of Short working and irrecoverable Short-working.

Or

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What is inter departmental transfer? Explain the accounting treatment of inter-departmental transfer--

(a) at cost price and

(b) at selling price.

3. A company has two departments A and B. From the following particulars, prepare a Departmental Trading and Profit and LossAccount for the two departments for the year ended 31st December, 2023.

Particulars	Department A(Rs)	Department B(Rs)
Opening stock	40,000	NIL
Purchases	2,00,000	20,000
Direct Expenses	10,000	1,000
Transfer of goods from Department A	—	50,000
Closing stock	30,000	10,000
Sales	2,00,000	71,000

50% of B's stock represents goods from Department A which transfers them at 25% above cost. Administrative and selling expenses accounting to Rs.15,000 to be allocated between the departments in the ratio of 4:1.

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