

SRI VENKATESWARA UNIVERSITY – TIRUPATI
SECOND YEAR – III SEMESTER
(w.e.f. AY 2024-25)

MINOR

SUBJECT : ACCOUNTANCY

Semester	Course Number	Course Name	No. of Hrs/Week	No. of Credits	Marks		
					Int	Ext	Total
III	2A	Advanced Accounting	3	3	25	75	100
		Advanced Accounting Practical Course	2	1	50	-	50

SRI VENKATESWARA UNIVERSITY – TIRUPATI

ACCOUNTANCY (MINOR)

SEMESTER – III

(w.e.f. AY 2024-25)

COURSE 2: ADVANCED ACCOUNTING

Theory

Credits: 4

4 hrs/week

Learning Objectives

The course aims to help learners to acquire conceptual knowledge of Non-Profit Organizations, understand the accounting procedure of single entry system, hire purchase system and partnership accounts.

Learning Out comes:

At the end of the course, the student will able to;

Understand the concept of Non-profit organizations and its accounting process, Comprehend the concept of single-entry system and preparation of statement of affairs, Familiarize with the legal formalities at the time of dissolution of the firm, Prepare financial statements for partnership firm on dissolution of the firm and Employ critical thinking skills to understand the difference between the dissolution of the firm and dissolution of partnership.

Unit 1: Self Balancing System: Self Balancing – Advantages – Preparation of Debtor’s Ledger adjustment account, Creditor’s Ledger adjustment account & General Ledger adjustment account (Problems Only)

Unit 2: Single Entry System: Features – Differences between Single Entry and Double Entry – Disadvantages of Single Entry- Ascertainment of Profit and Preparation of Statement of Affairs(Problems only).

Unit 3: Accounting for Non Profit Organizations: Non Profit Entities- Meaning - Features –Provisions as per Sec 8 - Accounting Process- Distinguish between Receipts and Payments Account and Income and Expenditure Account - Preparation of Income and Expenditure Account and Balance Sheet (Theory and Problems).

Unit 4: Partnership Accounts-I: Meaning – Partnership Deed - Fixed and Fluctuating Capitals-Accounting Treatment of Goodwill – Admission, Retirement and Death of a Partner (Problems only).

Unit 5: Partnership Accounts-II: Dissolution of a Partnership Firm – Application of Garner v/s Murray Rule in India (When one partner is insolvent) –Insolvency of all Partners (Problems only).

ACTIVITIES:

- Quiz Programs
- Problem Solving exercises
- Co-operative learning
- Seminar
- Visit a single-entry firm, collect data and Creation of Trial Balance of the firm
- Visit Non-profit organization and collect financial statements
- Visit a partnership firm and collect partnership deed
- Debate on Garner v/s Murray rule in India and out side India
- Group Discussion on problems relating to topics covered by syllabus
- Examinations(Scheduled and surprise tests)on all units
- Collect data from your college and prepare a Receipt and Payment Account, Income and Expenditure Account and Balance Sheet

REFERENCE BOOKS:

1. Advanced Accountancy : TS Reddy and A Murthy by Margham Publications.
2. Financial Accounting :SN Maheswari & SK Maheswari by Vikas Publications.
3. Principles and Practice of Accounting: R.L. Gupta &V.K .Gupta, Sultan Chand & Sons.
4. Advanced Accountancy: R.L. Gupta & Radhaswamy, Sultan Chand & Sons..
5. Advanced Accountancy: S.N. Maheshwari & V.L. Maheswari, Vikas publishers.
6. Advanced Accountancy: Dr. G.Yogeshwaran, Julia Allen – PBP Publications.

7. Accountancy–III:Tulasian,TataMcGrawHill Co.
8. Accountancy–III:S.P.Jain&K.LNarang,KalyaniPublishers.
9. Advanced Accounting(IPCC):D.G.Sharma,Tax MannPublications.
10. Advanced Accounting:ProfBAmarnadh,SevenHills
InternationalPublishers.
11. Advanced
Accountancy:MShrinivas&KSreelathaReddy,HimalayaPublishers.

MODEL QUESTION PAPER
With Effect from 2024-25
SEMESTER – III
COURSE 5: ADVANCED ACCOUNTING

Time: 3 hrs

Max Marks: 75

Section A

Answer any Five of the following 5 X 3=15 M

- 1) Write self-balancing adjusting entries.
- Credit Sales
 - Sales returns
 - Cash received from debtors
- 2) Prepare sales Ledger adjustment account in the Journal Ledger Opening Debtors ₹10,000; Credit sales ₹30,000; Cash received from debtors ₹6000; Bills receivable received ₹ 5000; Bills receivable dishonour ₹1000
- 3) Find out profit from the following data
- | | ₹ |
|--------------------------------------|----------|
| Capital at the beginning of the year | 8,00,000 |
| Drawings during the year | 1,80,000 |
| Capital at the end of the year | 9,00,000 |
| Capital introduced during the year | 50,000 |
- 4) From the following find out credit purchases
Opening Creditors ₹ 6,000; Cash paid to creditors ₹ 8000; Bills payable accepted ₹ 5000;
Closing creditors ₹ 9000
- 5) Write short note on Receipts and Payments Account.
- 6) Write short note on Income and Expenditure account
- 7) Calculate Goodwill on the basis of 3 years average profits and 2 years purchase net profits
are 2019 ₹ 18,000, 2020 ₹ 20,000 and 2021 ₹ 19,000
- 8) Fixed and Fluctuating Capitals.
- 9) Garner Vs Murray Case.
- 10) A and B were in partnership and agreed to dissolve the partnership firm. They share profits and losses equally. The Total assets are ₹ 80,000, Total Liabilities are ₹50,000. The Asserts realized are ₹ 70,000. Realization expenses are ₹ 2,000. Prepare Realization A/c.

Section - B

Answer any Five from the following

(5 X 12 = 60 Marks)

11). The under mentioned particulars have been extracted from the books of a business house. Prepare

Debtors Ledger adjustment account in the General Ledger as on 30th June, 2023.

Debtors on 1st July, 2022 ₹ 55,842.

Transactions during the year were:

	₹		₹
Sales (including cash sales ₹ 10,000)	1,08,60	Bills receivable	1,120
Cash received from Debtors	88,753	2 dishonoured	
Discount allowed to Debtors	480	Bad debts written off	3,890
Acceptances received from Debtors	7,120	Sundry charges debited to customers	378
Returns from Debtors	5,430	Transfers to Bought Ledger	100
		Provision for doubtful debts	2,500

12) From the following details, prepare the purchase ledger adjustment A/c in General ledger for the year 2023.

	₹		₹
Purchase ledger balance on 01.01.2023 (Cr.)	1,20,00	Cheques paid to creditors	30,00
	0		0
Purchase ledger balance on 01.01.2023(Dr.)	10,000	Cheques dishonoured	1,000
Purchases from creditors	1,80,00	Goods returned to creditors	10,00
	0		0
Bills payable accepted	40,000	Discount allowed by creditors	2,000
Cash paid to creditors	1,00,00	Interest on suppliers accounts due	1,000
		Bills payable dishonoured	4,000

13) Rajeev keeps his books by the 'Single Entry' method. His position on 31st March, 2022 was as follows: Cash in hand ₹ 2,400; Cash at Bank ₹ 25,500; Debtors ₹ 18,4000; Stock ₹ 28,600; Furniture ₹5,000; Creditors for goods ₹ 18,700; Expenses Outstanding ₹ 2,000.

On 31st March, 2023 his position was as follows: Cash in hand ₹ 2,100; Cash at Bank

₹ 27,500; Stock ₹ 31,500; Debtors ₹ 24,200; Furniture ₹ 6,000; Creditors ₹ 25,200; prepaid Insurance ₹ 200. Prepare the necessary statement showing the profit or loss made by him during the year ended 31st March, 2023wq after making the following adjustment:

Depreciate Furniture and machinery @ 10%, p.a., write off bad debts ₹ 1,200 and provide 5% for doubtful debts. Goods taken for personal use amounted to ₹ 1,500. Also provide interest on capital @ 10% p.a.

14) Ramesh keeps his books on single entry basis. Prepare a statement of affairs as on 31.12.2023 and a statement of profit (or) loss for the period ending 31.12.2023.

Assets & liabilities	1.1.2023	31.12.2023
	₹	₹
Bank balance	560 (Cr)	350 (Dr)
Cash on hand	10	50
Debtors	4,500	3,600
Stock	2,700	2,900
Plant	4,000	4,000
Furniture	1,000	1,000

Ramesh had withdrawn ₹. 2,000 during the year and had introduced fresh capital of ₹.4,200 on 1.7.2023. A provision of 5% on debtors is necessary. Write off depreciation on plant at 10% and furniture at 15%. Interest on capital is to be allowed at 5%.

15) From the following Receipts and Payments, prepare an Income and Expenditure account for the year ended 31-12-2023.

	₹	₹
2023		
Jan.1 To Opening Balance:		15,000
		0
Cash	1,000	By Rent
Bank	100	By Furniture
	---	By Salaries
	1,100	By Cricket
Dec.31 To Donations	20,000	200
	0	
To Life members fees	4,000	By Tennis
To Subscription	1,800	By Gardening
To Interest on	50	By Printing
Investments		
To Cricket	150	By Telephones
To Tennis	400	By Advertisement
To Playing cards	300	By Playing cards
To Sale of old news papers	125	By Investments
		8,000
To Sundries	100	By Balance c/d
	28,0	900
	25	28,025

Outstanding were: Subscriptions ₹ 400; Interest on Investments ₹ 150;

Salaries ₹200; Rent ₹200; Subscriptions received in advance for the year 2021 were ₹100.

16) Write any Ten differences between Receipts and Payments Account and Income and Expenditure Account

17) The Balance sheet of B and D as on 31-12-2023 is given below who share profits and losses in the ration of 2: 1.

Liabilities	₹	Assets	₹
B's capital	45,000	Furniture	6,000
D's capital	25,000	Freehold property	20,000
General reserve	24,000	Debtors	60,000
Creditors	16,000	Stock	12,000
		cash	12,000
	1,10,000		1,10,000

They agreed to admit **K** into the firm subject to the following conditions:

(a) K will bring in ₹ 21,000 of which ₹ 9,000 will be treated as his share of goodwill to be retained in the business.

(b) 50% of the general reserve is to remain as provision for doubtful debts.

(c) Depreciation is to be provided on furniture @ 15 %.

(d) Closing stock is to be valued at ₹ 10,500.

(e) K is entitled to 1/4th share of the profit.

Prepare necessary accounts to give effect to these arrangements and prepare the Balance sheet of the new firm.

18) The Balance Sheet of P, Q and R who were sharing profits in proportion to their Capitals stood as follows on 31st December 2023:

Liabilities	₹	Assets	₹
Sundry Creditors	13,800	Cash at Bank	11,000
Capital Accounts		Sundry Debtors	10,000
P	45,000	Less: Provision	<u>400</u>
Q	30,000		9,600
R	15,000	Stock	16,200
		Machinery	17,000
		Land & Buildings	<u>50,000</u>
	<u>1,03,800</u>		<u>1,03,800</u>

Q decides to retire on that date and P, Q and R agree to make the following adjustments of the assets and liabilities:

a) That out of the amount of insurance which was debited entirely to Profit and Loss Account, ₹ 1,500 be carried forward as Unexpected Insurance.

b) That the provision for Doubtful Debts be brought up to 7%.

c) That the Land and Buildings be appreciated by 20%.

- d) That a provision of ₹ 4,000 be made in respect of an outstanding bill for repairs.
- e) That the goodwill of the entire firm be fixed at ₹ 21,600 and Q's share of the same be adjusted into the accounts of P and R who are going to share in future in the proportion of $\frac{3}{4}$ and $\frac{1}{4}$ respectively.
- f) That the entire Capital of the firm as newly constituted be fixed at ₹ 56,000 as between P and R in proportion of 3:1, actual cash to be paid off or to be brought in by the continuing partners as the case may be.

Show necessary ledger accounts and also prepare new balance sheet of the firm.

19) A, B and C are partners in a firm sharing profits and losses as 40%, 30% and 30% respectively. They decide to dissolve the firm and appoint b to realize the assets and distribute as his remuneration and to bear all the expenses of realization.

The following is the balance sheet of the firm as on the date of dissolution.

Liabilities	₹	Assets	₹
Creditors	59000	Cash at bank	1500
Capitals		Debtors	
		45500	
A	30000	Less: provision	43000
		2500	
B	20000	Stock	60000
		C's capital	4500
		overdrawn	
	1,09,000		1,09,000

B reports the result of realization as follows: Debtors realize ₹ 35000; stock realize ₹ 45,000; goodwill is sold for ₹ 2000 Creditors are paid ₹ 57,500 in full settlement. Outstanding creditor's ₹ 500 have also been paid. The expenses of realization came to ₹ 600 which b met personally. A and B agree to receive from C ₹3000 in full settlement of the firm's claim against him. Show necessary ledger accounts.

20) A and B are in equal partnership. Their Balance sheet stood as follows:

Liabilities	₹	Assets	₹
Capital A:	6000	Plant & Machinery	14,750
Sundry Creditors	39,000	Furniture	4000
		Debtors	5000
		Stock	6250
		Bank	3000
		B's Capital	12,000
	<u>45,000</u>		<u>45,000</u>

The assets were realised as follows:

Stock ₹ 3500, Furniture ₹ 2000, Debtors ₹ 5000 and Plant & Machinery ₹ 7000. The cost of collecting the estate amounted to ₹ 1500.

A's private estate is not sufficient even to pay his private liabilities, where as in B's private estate, there is a surplus of ₹ 500.

Prepare Realisation A/c, Cash A/c, Creditors A/c, Capital A/c's and the

Deficiency A/c of the partners.

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ACCOUNTANCY (MINOR)**

SEMESTER – III

(w.e.f. AY 2024-25)

COURSE 5: ADVANCED ACCOUNTING

PRACTICAL

Credits: 1

2hrs/week

Lab Exercise:

- Self-balancing System – Preparation of Debtors ledger and creditors ledger
- Single entry - Preparation of Statement of Affairs in MS-Excel
- Non Trading Concerns - Creation of Company, Creation of Ledger Accounts, creation of Accounting Vouchers, and display of Income and Expenditure Account and Balance Sheet using Accounting Software / Package or in MS Excel.
- Partnership Accounts - Creation of Company, Creation of Ledger Accounts, Creation of Accounting Vouchers, and Display of Concern Ledgers and Balance sheet using Accounting Software / Package or in MS Excel.

MODEL QUESTION PAPER – INTERNAL
SEMESTER – III
COURSE 5: ADVANCED ACCOUNTING

Practical
Time : 1½ Hrs

Credits: 1

2 hrs/week
Max.Marks 50

Answer any Two of the following

2 X 25 = 50 Marks

- 1.
- 2.
- 3.
- 4.
- 5.