

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF COMMERCE(B.COM)
EXAMINATION – MAY - 2026
SECOND SEMESTER

Sub.: Advance Financial Accounting (BCOM23-201/BCOM24-201)

Date: 7/05/2026

Total Marks: 60

Time: 10.00 am to 12. 30pm

Instructions: 1) All questions are compulsory. 2) Figures to the right indicate full marks.

Q.1 a) Fill in the blanks (Any 5) (05)

1. Excess of minimum rent over royalties is called:
 - a) Short working
 - b) Dead rent
 - c) Royalties
 - d) None of them
2. Royalty account is the nature of
 - a) Real account
 - b) Personal Account
 - c) Nominal Account
 - d) None of them
3. When royalty is paid in the book of lessee, it is debited to
 - a) Royalty account
 - b) P & L account
 - c) Landlord account
 - d) Lessee account
4. Which of the following is not an asset?
 - a) Building
 - b) Furniture
 - c) Machinery
 - d) Loan from bank
5. Which of the following is not a liability?
 - a) Debenture
 - b) Loan
 - c) Bank overdraft
 - d) Machinery
6. Which of the following is a formula of working capital?
 - a) Current assets + Current liabilities
 - b) Current assets - Current liabilities
 - c) Current assets – Long term liabilities
 - d) Share capital + Fixed assets
7. Which of the following is not a current liability?
 - a) Creditors
 - b) Bank over draft
 - c) Short term loans
 - d) Debenture

b) State whether the following statement are true or false (any 5) (05)

1. When the branch is located in foreign country it is called foreign branch.
2. Journal is recording of accounts.
3. Royalty account is a Real Account.
4. Copyright Royalties are based on sales

5. Ledger is individual account
6. Balance sheet is a financial status of the business
7. Operational lease is revocable

Q. 2 a) From the following Trial Balance for the year ended 30Marach 2026 and the following information given under respect of Amit Consumer Co-operative Society Pune Prepare Trading and Profit and Loss account for the year ended 31 March 2026 and Balance sheet as on date .

(20)

Particular	Debit Rupees	Credit Rupees
Share Capital		10,000
Calls in arrears	600	
Reserve Funds		1500
Co-Operative Development Funds		500
Opening Stocks of Consumer Goods	11250	
Furniture	5300	
Education Funds		800
Creditors For Purchases		2000
Sundry Debtors	3000	
Commission Payable		500
Salaries	7500	
Commission	2700	
Rent & Taxes	2600	
Postages	1250	
Travelling And Conveyance	200	
Printing & Stationary	400	
Dividend paid 2003-2004	470	
Audit Fees	400	
Interest on Investment		1000
Profit and Loss Appropriation Balance		5100
Equipment	1800	
Admission Fee		50
Purchase	158500	
Carriage & Cooly Charges	4000	
Investment	10000	
Sales		205000
Cash in Hand	1480	
Cash at Bank	15000	
Total	2,26,450	2,26,450

Adjustments:

1. Outstanding Expenses on 31.03.2026 were rent Rs 100 and salary Rs 200.
2. Rs300 was given advance against Salary to an employee on 31-3-2026.
3. Interest Accrued on investments Rs 200.
4. Directors recommend 10% dividend to its shareholders and transfer of Rs 100to Development funds.
5. Charged 5% Depreciation on furniture.
6. Closing Stock consumer goods is valued a cost Rs 12500.

Or

- b)** Explain the concept of Government Accounting & Write difference between Private Accounting & Government Accounting.

- Q. 3 a)** Mr X Takes a machinery on lease for 4 years period for which period he has secured a contract with all India co. for transport goods to Pune . **(10)**
 The contract was entered into 1 Jan 2021 and rental agreed Rs 30,000,25,000,20,000,and 15000respectively his other expenses are as follows :

Particular	2021	2022	2023	2024
Diesel & Oil	5000	8000	9000	8000
Salary	10,000	10500	10500	11000
Admin overheads	5000	5000	6500	7000
Hire Received	45000	47500	50000	48000

Show Profit and Loss Account for 40years and also show Balance sheet. Capital Balance Rs 10000.All payments and receipts are in cash.

- b) Write short notes. (Any 2)** **(05)**

1. Dependent Branch
2. Foreign Branch
3. Journal
4. Carbon Credit Accounting

- Q. 4 a)** ABC Ltd. leased a colliery on 1st January 2019 From M/s M at a minimum rent of Rs 40000 p.a. at a royalty of Rs 3 per ton with a right to recover short working over the first three years of the lease. **(15)**

The output for the first four years of the lease was as follows:

Year	Output
2019	10000
2020	12000
2021	14000
2022	20000

Give the necessary Journal entries in the books of ABC Ltd for the above 4 years.

OR

- b)** Explain the meaning of Royalty and give the important terms
