



**PARVATHANENI BRAHMAYYA
SIDDHARTHA COLLEGE OF ARTS & SCIENCE**
Autonomous
Siddhartha Nagar, Vijayawada-520010
Re-accredited at 'A+' by the NAAC

Course Code				23COMAL233			
Title of the Course				ADVANCED ACCOUNTING			
Offered to: (Programme/s)				B.Com Hon. All			
L	3	T	2	P	0	C	4
Year of Introduction:		2024-25		Semester:			3
Course Category:		Major		Course Relates to:		Local, Regional, National	
Year of Revision:		2024-25		Percentage:		NII	
Type of the Course:				Employability			
Crosscutting Issues of the Course :				NA			
Pre-requisites, if any				Nil			

Course Description: This course provides a comprehensive overview of accounting practices for various business structures. It covers the fundamentals of non-profit organizations, including accounting processes, preparation of records, and financial statements like receipts and payments accounts. Students will explore single entry systems, including their features, limitations, and conversion to double entry systems. The course also delves into hire purchase and installment purchase systems, highlighting accounting treatments, defaults, and repossession. Partnership accounts are examined in detail, focusing on aspects such as partnership deeds, capital structures, goodwill, and the effects of partner admission, retirement, or death. The course concludes with the dissolution of partnership firms and related insolvency issues.

Course Aims and Objectives:

S.NO	COURSE OBJECTIVES
1	Learn the criteria for identifying Revenue Expenditure and distinguishing from Capital Expenditure and understand the linkage of such distinction with the preparation of Final Accounts.
2	Understand the special features of Installment system and also analyses the distinction between the Hire Purchase System and Installment System.
3	Understand the features of Partnership firm and the need for valuation of goodwill as well as revaluation of Assets and Liabilities.
4	Understand the preparation of capital accounts of partners and also the treatment of goodwill in case of admission of a new partner
5	Understand the settlement the balance in retiring/deceased partner's capital account and also the procedure in dissolution of firm.

Course Outcomes

At the end of the course, the student will be able to...

CO NO	COURSE OUTCOME	BTL	PO	PSO
CO 1	Understand about capital and revenue expenditure, preparation of receipts and payments account, income and expenditure account and balance sheet.	K1	2	1
CO 2	Understand about accounting process of preparing final accounts from incomplete records.	K2	2	1
CO 3	Understand about to calculate interest on various instalments and understand the procedure in case of default.-	K3	2	2
CO 4	understand about preparation of fixed and fluctuating capitals and accounting treatment of admission of a partner into business.	K4	2	2
CO 5	Learn about accounting in case of retirement and death of a partner & Learn about settlement procedure in case of dissolution of a partnership firm	K5	2	2

CO-PO MATRIX									
CO NO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PSO1	PSO2
CO1		2						2	
CO2		2						2	
CO3		2						2	
CO4		2						2	
CO5		3						3	

Use the codes 3, 2, 1 for High, Moderate and Low correlation Between CO-PO-PSO respectively

Course Structure:

Unit – 1: Accounting for Non Profit Organizations

(15/12Hrs)

Non Profit Entities- Meaning - Features of Non-Profit Entities –Provisions as per Sec 8 - Accounting Process- Preparation of Accounting Records - Receipts and Payments Account- Income and Expenditure Account - Preparation of Balance Sheet (including problems).

Examples/Applications/Case Studies:

- [Example on preparation of Receipts and Payments Account]
- [Example on preparation of Income and Expenditure Account]

Exercises/Projects:

- [Exercise on preparation of Income and Expenditure Account]
- [Exercise on preparation of Balance Sheet]

Specific Resources: (web)

<https://byjus.com/commerce/balance-sheet/>

Unit – 2: Single Entry System

(15/12Hrs)

Features – Differences between Single Entry and Double Entry – Disadvantages of Single Entry- Ascertainment of Profit and Preparation of Statement of Affairs (including Problems)- Conversion of Single entry to Double entry system (Simple Problems).

Examples/Applications/Case Studies:

- [Example on preparation of Statement of Affairs]
- [Example on preparation of Final Accounts in conversion method]

Exercises/Projects:

- [Exercise on preparation of Statement of Affairs]
- [Exercise on preparation of Final Accounts in conversion method]

Specific Resources: (web)

<https://www.scribd.com/document/461684508/Disadvantages-of-Single-Entry-system>

Unit – 3 : Hire Purchase System

(15/12Hrs)

Features –Difference between Hire Purchase and Instalment Purchase Systems - Accounting Treatment in the Books of Hire Purchaser and Hire Vendor - Default and Repossession (including Problems).

Examples/Applications/Case Studies:

- [Example on calculation of interest in various methods]
- [Example on accounting treatment in the books of Hire Purchase and Vendor]

Exercises/Projects:

- [Exercise on calculation of interest in various methods]
- [Exercise on accounting treatment in the books of Hire Purchase and Vendor]

Specific Resources: (web)

http://vikramuniv.ac.in/files/wp-content/uploads/B.com BBA Hire_purchase_sys. 2_Dr.Ashish_Mehta.pdf

Unit – 4 : Partnership Accounts-I

(15/12Hrs)

Meaning – Partnership Deed – Profit and Loss Appropriation account - Fixed and Fluctuating Capitals- Admission of a Partner - New profit sharing ratio - Accounting Treatment of Goodwill (including problems).

Examples/Applications/Case Studies:

- [Example on preparation of Profit and Loss Appropriation account]
- [Example on preparation of New Balance Sheet]

Exercises/Projects:

- [Exercise on preparation of Profit and Loss Appropriation account]
- [Exercise on treatment of Goodwill]

Specific Resources: (web)

Unit – 5: Partnership Accounts-II

(15/12Hrs)

Retirement and death of a partner – Accounting treatment- Calculation of new profit ratio – Revaluation of assets and liabilities- Treatment of reserves and Good will – Preparation of new balance sheet after Retirement/Death. (including problems).

Dissolution of a Partnership Firm – Application of Garner v/s Murray Rule in India – Insolvency of one or more Partners (Excluding problems).**Examples/Applications/Case Studies:**

- [Example on settlement of capital account balance in retiring/deceased partner]
- [Case Study on Garner vs. Murray]

Exercises/Projects:

- [Exercise on settlement of capital account balance in retiring/deceased partner]
- [Exercise on Garner vs. Murray]

Specific Resources: (web)

<https://www.scribd.com/doc/213980400/Garner-vs-Murray>

Text Books:

1. S.P JAIN AND K.L NARANG, ADVANCED ACCOUNTANCY, KALYANI PUBLISHERS

References:

1. SN Maheswari & SK Maheswari, Financial Accounting, Vikas Publications.
2. R.L. Gupta & V.K. Gupta, Principles and Practice of Accounting, Sultan Chand & Sons.



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SEMESTER -END MODEL QUESTION PAPER

Course Code	23COMAL233
Title:	ADVANCED ACCOUNTING
Offered to:	B.Com Hon. ALL
Category: Major	SEMESTER: 3
Max. Marks	70
Max. Time	3 Hrs

Section - A

Answer the following questions

5 X 4 = 20 Marks

1. A) Write any 5 differences between Receipts and Payments Account and Income and Expenditure Account? **(CO1, K1)**
(Or)
B) Write about Legacies and Donations. **(CO1, K1)**
2. A) What is Single Entry System? What are the features of Single Entry System? **(CO1, K1)**
(Or)
B) Briefly explain the procedure for conversion of accounts from Single Entry to Double Entry System. **(CO2, K1)**
3. A) What is meant by Repossession of Goods? **(CO3, K1)**
(Or)
B) What is Hire Purchase System? Explain the features of Hire Purchase System. **(CO3, K1)**
4. A) What is a Partnership Deed? What are the contents in Partnership Deed? **(CO4, K1)**
(Or)
B) Explain the treatment of Goodwill in case of admission of a new partner. **(CO4, K1)**
5. A) What is Revaluation account and why it is prepared? **(CO5, K1)**
(Or)
B) What is meant by Dissolution of firm? Write different types of Dissolution. **(CO5, K1)**

Section - B

Answer the following questions

(5 X 10 = 50 Marks)

Unit I

6. A) Prepare Income and Expenditure Account from the following Receipts and Payments account as on 31-12-2019. (CO1, K2)

Receipts	Amount	Payments	Amount
To Balance b/d	20,000	By Buildings	30,000
To Donations	30,000	By Furniture	2,500
To Subscriptions (Including 2018 Rs.2000)	15,000	By Salaries	3,500
To Rent	1,800	By Insurance	1,500
To Interest received	1,200	By Printing and stationary	2,000
To Entry fees	2,000	By Postage	1,500
To Other receipts	10,000	By Investments	18,500
	80,000	By Balance c/d	20,500
			80,000

Adjustments:-

1. Subscriptions receivable Rs.1,000
2. Outstanding Salaries Rs.500
3. Prepaid insurance Rs.150
4. Accrued interest Rs.600

(Or)

(B) The following is the Receipts and Payments account of a Hospital for the year ended 31st December, 2015, prepare Income and Expenditure account and a Balance sheet as at the date: (CO1, K2)

Receipts and Payments Account for the year ended 31st December 2015

Receipts	Amount	Payments	Amount
To Cash in hand	3,565	By Medicines	15,295
To Subscriptions	23,998	By Doctors honorarium	4,500
To Donations	7,250	By Salaries	13,750
To Interest on investments @7%	3,500	By Petty expenses	230
To Proceeds from charity	5,225	By Equipment	7,500
		By Expenses on charity show	375
		By Cash in hand	1,888
	43,538		43,538

Additional information:

	1.1.2015	31.12.2015
a. Subscriptions due	120	140
b. Subscriptions received in advance	32	55
c. Stock of medicines	4,405	4,870
d. Estimated value of equipment	10,600	15,800
e. Buildings (Cost less depreciation)	20,000	19,000

Unit II

7. A) What is Single Entry System? What are the features of Single Entry System? (CO1, K2)

(Or)

B) From the following details, prepare Trading, Profit and Loss Account and Balance Sheet.

Particulars	On 31.3.2019	On 31.3.2020
Stock	25,000	12,500
Debtors	62,500	87,500
Cash	6,250	10,000
Furniture	2,500	2,500
Creditors	37,500	43,750

Bad debts Rs.1,250; Discount received Rs.3,750; Discount allowed Rs.2,500; Sundry expenses Rs.7,500; Payments to creditors Rs.1,12,500; Received from Debtors Rs.1,33,750; Drawings Rs.10,000; Sales returns Rs.3,750; Purchases returns Rs.1,250. Charge depreciation on furniture @ 5% p.a. (CO2, K2)

Unit III

8. A) On 1-1-2015 Sastri purchased an asset for Rs. 60,000 payment to be made Rs.15,000 down and three instalments of Rs. 18,000 each at the end of each year. Rate of interest charged by the selling company is 10% p.a. Sastri depreciates asset at 10% p.a. on written down value method. Due to financial difficulties Sastri could not pay any instalment after the first instalment and the selling company took possession of the asset. The selling company after spending Rs. 1,500 on repairs of the asset sold it away for Rs. 38,000. Prepare the necessary ledger accounts in the books of both the parties. (CO3, K2)

(Or)

(b) The Madras Transport Company purchased motor car from the Bombay Motor Co. on hire purchase agreement on 1st January 2013, paying cash Rs.10,000 as down payment and agreeing to pay further three instalments of Rs.10,000 each on 31st December each year. The cash price of the car is Rs.37,250 and the Bombay Motor Company charges interest as depreciation on the reducing instalment system. Prepare necessary accounts in the books of Madras Transport Company. (CO3, K2)

Unit IV

9. A) A, B and C are partners in a firm with Capitals of Rs 40,000, Rs 24,000 and Rs 20,000 respectively on 1-1-2010. The Partnership Deed contains the followings clauses:

- Interest on Capital @ 5% p.a.
- Interest on drawings @ % 4% p.a.
- A to get a salary @ Rs 400 per month.
- Band C get 10% commission each on the net profit.
- Profit and Losses to be shared:
 - Up to Rs 4,500 in the ratio of 4: 3: 2.
 - Above Rs 4,500 equally.

The net profit of the firm for the year ended 31st December 2010 amounts to Rs 20,500 and the Drawings of the partners are: A Rs 2,400, B Rs 1,600 and C Rs 1,000.

Prepare the Profit and Loss Appropriation Account and Capital Accounts of the partners assuming
i) Capitals are fixed ii) Capitals are fluctuating (CO4, K2)

(Or)

B) The following is the Balance Sheet of Harshitha and Sindhu who had been sharing profit and losses in the ratio of 3:2. (CO4, K3)

Liabilities	Amount	Assets	Amount
Creditors	20,000	Cash	3,000
General Reserve	15,000	Bank	7,000
Bills Payable	5,000	Debtors	10,000
Capital Accounts		Furniture	20,000
Harshitha	40,000	Machinery	25,000
Sindhu	20,000	Buildings	35,000
	1,00,000		1,00,000

They agreed to take Sravani as a partner on the following conditions:

- Sravani pay Rs.10,000 as her capital for 1/4th share in the future profits.
- Provision for doubtful debts to be created on debtors 10%.
- Deprecation on furniture 5%, on machinery 10%.
- Increase value of building by 20%.
- Goodwill to be valued Rs.75,000.

Prepare necessary ledger accounts and balance sheet after entry of new partner. (CO4, K3)

Unit V

10. A) Briefly explain the rule in **Garner v/s Murray** case with Proforma entries. (CO5, K3)

(Or)

B) A, B and C were carrying on business in partnership sharing profits and losses in the ratio : 1. On 31st December 2018 Balance Sheet of the firm stood as follows: (CO5, K3)

3 : 2

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	13,950	Cash	5,900
Capital Accounts :		Debtors	8,000
A	15,000	Stock	11,690
B	10,000	Buildings	23,000
C	10,000		
	48,590		48590

B retired on the above mentioned date on the following terms:

- Buildings be appreciated by Rs.7,000.
- Provision for bad debts be made @ 5% on debtors.
- Goodwill of the firm be valued at Rs.9,000 and adjustment in this respect be made without raising Goodwill Account.
- Rs.5,000 be paid to B immediately and the balance due to him be treated as a loan carrying interest @ 6% per annum. Show the Balance Sheet of the firm as it would appear immediately after B's retirement.