

**M. COM. SEM - I (CHOICE BASED CREDIT SYSTEM) (2012
COURSE) : SUMMER - 2019
SUBJECT: ELECTIVE – A GROUPS : ADVANCED ACCOUNTING – I**

Day: Friday
Date: 12/04/2019

Time: 03.00 PM TO 06.00 PM
Max. Marks: 60

S-2019-0470

N.B:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of calculator is **ALLOWED**.

Q.1 The Balance Sheet of Raheja Ltd as on 31-03-2018 is as follows : **(16)**

Liabilities	Rs.	Assets	Rs.
Share Capital:		Land and Buildings	2,10,000
6,000 Shares of Rs. 100 each	6,00,000	Plant and Machinery	1,60,000
6% Debentures	20,000	Vehicles	1,00,000
Creditors	60,000	Stock	80,000
Outstanding Expenses	4,000	Debtors	60,000
		Cash	64,000
		Underwriting	10,000
	6,84,000		6,84,000

Juneja Ltd. Absorbed Raheja Ltd. On the following terms:

- a) Juneja Ltd acquired only the assets of Raheja Ltd. except cash balance.
- b) The purchase consideration was fixed as 5 Equity Shares of Rs. 100 each at Rs. 140 per share for every 7 Equity Shares of Raheja Ltd. and 700, 6% Preference shares of Rs. 100 each
- c) Realization expenses amounted to Rs. 12,000 and were paid by Raheja Ltd.
- d) The liquidator of Raheja Ltd. transferred the Preference Shares to creditors in full satisfaction of their claims.
- e) Debentures were paid at a premium of 10%
- f) Outstanding expenses were paid in full and in addition Raheja Ltd. had to pay Rs. 4,200 as compensation to the worker.
- g) Juneja Ltd. Valued Land and Buildings, Plant and Machinery at 10% appreciation, Vehicles at 10% depreciation, Stock was reduced to its market value which was Rs. 64,000. Debtors were taken subject to 5% Reserve for Doubtful Debts

Prepare the necessary Ledger Accounts in the books of Raheja Ltd. And pass the opening entries in the books of Juneja Ltd.

OR

- a) What do you mean by Amalgamation and Absorption of the company? What are the different mode of payment of purchase consideration. **(10)**
- b) Explain role of accounting theory. **(06)**

Q.2 The Balance Sheet Ajay Ltd. And Vijay Ltd. as on 31-3-2018 is as follows: **(16)**
A new company was formed called Sujay Ltd. For purchasing the business of the above two companies as on that date.

Liabilities	Ajay Ltd Rs.	Vijay Ltd Rs.	Assets	Ajay Ltd Rs.	Vijay Ltd Rs.
Share Capital:			Buildings	10,500	6,000
1,500 Shares of Rs. 10 each	15,000	-	Machinery	2,500	1,500
800 Shares of Rs. 10 each	-	8,000	Motor Vehicles	1,000	-
General Reserve	8,000	-	Stock	6,000	7,800
Profit and Loss	2,000	2,000	Debtors	8,200	2,100
5% Debentures	-	6,000	Cash	4,300	1,800
Creditors	7,500	3,200			
	32,500	19,200		32,500	19,200

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The following are the terms of purchase of the business.

- a) Goodwill of Ajay Ltd. And Vijay Ltd. Is to be valued at Rs. 8,000 and Rs. 3,000 respectively.
 - b) All the assets and liabilities of Ajay Ltd are to be taken over at their book values except Motor Vehicle which is valued at Rs. 3,000.
 - c) All the assets of Vijay Ltd. are taken over at their book values except Debtors and Cash but not the liabilities.
 - d) The Debentures of Vijay Ltd. Are to be discharged at a premium of 5% by issuing them 9% Debentures of Sujay Ltd. as part payment of purchase consideration.
 - e) The balance of purchase price to Vijay Ltd. And entire purchase price to Ajay Ltd. is paid in Rs. 10 fully paid equity shares of Sujay Ltd.
- Show i) Purchase consideration of both the companies. ii) Close the books of accounts of Ajay Ltd and Vijay Ltd iii) Balance Sheet of Sujay Ltd.

OR

- a) Distinguish between fund flow statement and cash flow statement. (10)
- b) What are the various elements of financial statement? (06)

Q.3 From the following Balance Sheets of Harshit Ltd. and the additional information given, make out a Cash Flow Statement: (16)

Liabilities	31-3-2017	31-3-2018	Liabilities	31-3-2017	31-3-2018
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Redeemable Preference Shares	1,50,000	1,00,000	Land and Buildings	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit and Loss Account	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash in Hand	15,000	10,000
Provision for Taxation	40,000	50,000	Cash at Bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

Additional Information:

- i) Depreciations of Rs. 10,000 and Rs. 20,000 have been charged on plant account and land and buildings account respectively in 2016 – 17
- ii) An interim dividend of Rs. 20,000 has been paid in 2017 – 18.
- iii) Income Tax Rs. 35,000 was paid during the year 2017 – 18.

OR

- a) What is current cost accounting? What are the different values considered in current cost accounting? (10)
- b) What is cash flow statement? (06)

Q.4 Write short notes on any **THREE** of the following (12)

- a) Professional development of accounting in India
- b) Approaches to accounting theory
- c) Distinguish between Absorption and External reconstruction of the company.
- d) Dual aspect concept
- e) Purchase consideration

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