

**M. COM. SEM - III (CHOICE BASED CREDIT SYSTEM) (2012
COURSE) : SUMMER - 2019**

SUBJECT: ELECTIVE-A GROUPS: ADVANCED ACCOUNTING-V

Day: Wednesday

S-2019-0490

Time: 03.00 PM TO 06.00 PM

Date: 24/04/2019

Max. Marks: 60

N.B:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) User of non-programmable **CALCULATOR** is allowed.

Q.1 The Balance Sheet of Jayant Manufacturing Co. Ltd., discloses the following (16)
financial position as at 31st March, 2018.

Liabilities	Rs.	Assets	Rs.
Paid-up Capital 30,000 Shares of Rs. 10 each fully paid	3,00,000	Goodwill at Cost	30,000
Capital Reserve	60,000	Land & Building at Cost <i>Less: Depreciation</i>	1,75,000
Sundry Creditors	71,000	Plant & Machinery at cost <i>Less: Depreciation</i>	90,000
Provision for Taxation	55,000	Stock at cost	1,15,000
Profit & Loss A/c	26,000	Book Debts 98,000 <i>Less: Provision for Doubtful Debts 3,000</i>	95,000
		Cash at Bank	7,000
	5,12,000		5,12,000

You are asked to value the goodwill:

- a) Adequate provision has been made in the accounts for income-tax and depreciation.
- b) Rate of income-tax may be taken at 50%.
- c) The average rate of dividend declared by the company for the past five years was 15%.
- d) The reasonable return on capital invested in the class of business done by the company 12%.

OR

What do you mean by 'Goodwill'? State the factors affecting value of goodwill.

Q.2 Following is the Balance Sheet of Janata Ltd., as on 31st March, 2018. (16)

Liabilities	Rs.	Assets	Rs.
Issued Capital 40,000 Shares of Rs. 10 each	4,00,000	Capital	5,00,000
General Reserve	90,000	Current assets	2,00,000
Profit & Loss A/c	20,000	Goodwill	40,000
5% Debentures	1,00,000		
Current Liabilities	1,30,000		
	7,40,000		7,40,000

On 31st March, 2018 the Capital was independently valued at Rs. 5, 50,000 and Goodwill at Rs. 50,000. The net profits for the last three years were Rs. 51,600, Rs. 51,650 and Rs. 52,000 of which 20% was placed to reserve, this proportion being considered reasonable in the industry in which the company is engaged and where a fair investment return may be taken at 10%. Compute the value of Company's share by

- a) Net assets method and
 - b) Yield Method
- Also calculate fair value of each share.

OR

P.T.O.

What is 'fund based accounting'? Describe in brief revenue funds and specific funds with reference to accounting for educational institutions.

Q.3 Ishwarlal keeps his books of account under Single Entry System. From the following information relating to the year 2013-2014, Prepare his Trading Account and Profit and Loss Account for the year ended 31st March, 2014 and a Balance Sheet as on that date. (16)

A) Particulars of Assets and Liabilities:

Assets and Liabilities	As on 1-4-2013 Rs.	As on 31-3-2014 Rs.
Investments in 20% Government Bonds	30,000	30,000
Prepaid Insurance	-	500
Acceptances receivables	30,000	27,000
Wages payable	-	1,530
Acceptances payables	12,300	4,200
Sundry Debtors	75,000	87,000
Sundry Creditors	59,100	53,700
Stock-in-Trade	42,300	34,200
Outstanding Printing	-	410
Machinery	90,000	90,000
Loan from Mohanlal @ 10%	45,000	45,000
Outstanding Interest on Mohanlal's Loan	-	4,500
Cash in Hand	15,900	11,400

B) Summary of Cash Transactions:

Dr. Cash Book for the year ended 31st March, 2014 Cr.

Receipts	Rs.	Payments	Rs.
To Opening Cash in hand	15,900	By Sundry Creditors	59,100
To Capital introduced on 1/4/2013	33,200	By Bills Payable	45,900
To Sundry Debtors	31,900	By Wages	22,470
To Sales	43,500	By Cartage	1,330
To Interest on Investments On Govt. Bonds	5,100	By Salaries	10,000
To Bills Receivables	39,900	By Printing	1,590
		By Postage	1,490
		By Accountancy Charges	2,120
		By Insurance	1,500
		By Insurance premium on Life Insurance Policy	2,600
		By Sales Promotion Expenses	10,000
		By Balance C/D	11,400
	1,69,500		1,69,500

- i) Depreciate Machinery @ 5% p.a. on Written Down Value Method.
- ii) Revenue Stamps of Rs. 90 were in hand on 31/03/2014.
- iii) Interest on Capital is to be provided @ 10% p.a.

OR

What do you mean by 'Human Resources Accounting'? Explain its objectives.

Q.4 Write short notes on ANY THREE of the following: (12)

- a) Utility of economic value added
- b) Functions of Treasury
- c) Valuation of intangible assets
- d) Finance to educational institution
- e) Value added statement

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