

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

**SUBJECT : ELECTIVE GROUP – A: a) ADVANCED ACCOUNTING – VII**

Day : Saturday

Time : 03.00 PM TO 06.00 PM

Date : 04/05/2019

**S-2019-0499**

Max. Marks : 60

**N.B.:**

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

- Q.1** Jamuna Traders Sangli, has a branch at Satara. All goods required for sale at Satara are supplied from Sangli at cost plus  $\frac{1}{4}$ . All cash received at the branch is remitted to Head Office immediately. From the following particulars prepare: [16]
- a) Satara Branch Account.
  - b) Satara Branch Trading and Profit and Loss Account for the year ended 31.03.2018

| Particulars | Balances as on 01.04.2017<br>(Rs.) | Balances as on 31.03.2018<br>(Rs.) |
|-------------|------------------------------------|------------------------------------|
| Stock       | 20,000                             | 15,000                             |
| Debtors     | 15,000                             | 39,500                             |
| Furniture   | 10,000                             | 8,000                              |
| Petty Cash  | 200                                | ?                                  |

|  | Rs.    |
|--|--------|
| Good returned by Debtors                 | 800    |
| Goods invoiced to Branch                 | 50,000 |
| Goods returned by Branch                 | 2,000  |
| Bad debts written off                    | 500    |
| Reserve for bad and doubtful debts       | 3,000  |
| Cash sales during the year               | 3,000  |
| Goods destroyed in transit not insured   | 1,000  |
| Allowances given                         | 900    |
| Branch expenses paid by Head office:     |        |
| i) Wages                                 | 1,000  |
| ii) Printing                             | 800    |
| iii) Rent                                | 3,000  |
| iv) Salary                               | 3,000  |
| v) Carriage                              | 600    |
| vi) Sundry expenses                      | 1,000  |
| vii) Trade expenses                      | 500    |
| Petty cash expenses at branch            | 500    |
| Total cash remittances by branch         | 43,300 |
| Remittances to branch for petty expenses | 600    |

**OR**

- a) What do you mean by independent branch? What are the special points in respect of independent branch? [08]
- b) Explain the various types of branches. [08]

**P.T.O.**

**Q.2** Nisha Ltd., issued 80,000 equity shares which were underwritten as follows: [16]

|        |                      |
|--------|----------------------|
| M/s. A | 48,000 equity shares |
| M/s. B | 20,000 equity shares |
| M/s. C | 12,000 equity shares |

The above mentioned underwriters made applications for 'firm' underwritings as follows:

|        |                     |
|--------|---------------------|
| M/s. A | 6,400 equity shares |
| M/s. B | 8,000 equity shares |
| M/s. C | 2,400 equity shares |

The total applications excluding 'firm' underwriting but including marked applications were for 40,000 equity shares.

The marked applications were as under:

|        |                      |
|--------|----------------------|
| M/s. A | 8,000 equity shares  |
| M/s. B | 10,000 equity shares |
| M/s. C | 4,000 equity shares  |

(The underwriting contracts provide that underwriters be given credit for 'firm' applications and the credit for unmarked applications be given in proportion to the shares underwritten). You are required to show the allocation of liability.

**OR**

- a) Discuss various features of the underwriting accounts. [08]
- b) What is firm underwriting? How the liability of underwriter is determined in firm underwriting agreement? [08]

**Q.3** XYZ Ltd., has a stock of 20,000 containers valued at Re 1 each. During the year, the company purchases 40,000 containers at Rs. 2 each. It issued 80,000 containers to customers and received back from its customers 74,000 containers during the year. 400 containers were damaged, out of which 200 were repaired at a cost of 50 paise per container. All containers in stock are value at Re 1 each. You are required to prepare Containers Stock Account. [16]

**OR**

- a) What are the salient features of the International Accounting Standard 1? [08]
- b) What does the company level International Accounting Encompass? [08]

**Q.4** Write short notes on **ANY THREE** of the following: [12]

- a) Importance of international Accounting
- b) Independent branches
- c) US GAAP and standards in India
- d) Pure Underwriting
- e) Packages Stock Account