

S.D.E.

**M. Com. Part-II : SUMMER - 2019**

**SUBJECT: SPECIAL GROUP- A: ADVANCED ACCOUNTING - III**

Day: Saturday  
Date: 13/04/2019

Time: 03.00 PM TO 06.00 PM  
Max. Marks: 80

**S-2019-4740**

**N.B.:**

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Answers to both the sections should be written in **SAME** answer book.
- 4) Use of **CALCULATOR** is allowed.

**SECTION-I**

**Q.1** Ascertain the value of Goodwill of Zee Ltd. on the basis of following (16) information:

Summarized Balance Sheet

As on 31<sup>st</sup> March, 2017

Liabilities	Rs.	Assets	Rs.
2,500 Equity shares of Rs. 100 each	2,50,000	Goodwill	25,000
Profit and Loss A/c	50,000	Land and Buildings	5,00,000
10 % Debentures	1,00,000	Plant and Machinery	1,00,000
Sundry Creditors	4,00,000	Stock	1,00,000
Provision for Taxation	10,000	Debtors	50,000
		Trade Investments	25,000
		Preliminary Expenses	10,000
	<b>8,10,000</b>		<b>8,10,000</b>

Additional Information:

i) The profits earned before Tax were as follows:

Year	Rs.
2012 -13	62,000
2013 -14	64,000
2014 -15	71,000
2015 -16	78,000
2016 -17	85,000

ii) Income Tax may be Taken @ 30%.

iii) Normal Rate of Return may be assumed as 12 ½ %.

Goodwill is to be calculated with reference to Capitalization of Maintainable Profit Method. Use simple Average.

**OR**

**Q.1** What do you mean by valuation of shares? What is the procedure of (16) calculation of yield value of a share?

**Q.2** M/s Bhavan Enterprises does not maintain double entry books of accounts. (16) They have furnished you with the following information:

Particulars	1 <sup>st</sup> April 2016	31 <sup>st</sup> March 2017
Sundry Debtors	15,600	28,300
Stock	68,500	98,600
Sundry Creditors	14,800	19,700
Furniture	50,000	??
Machinery	1,00,000	??
Cash and Bank Balance	28,600	??

**P.T.O.**

**Summary of Cash transactions for the year 2016 -17**

Particulars	Rs.
Cash Sales	27,600
Received from Debtors	2,47,600
Paid to Creditors	1,91,200
Wages paid	16,500
Salaries paid	18,000
Printing and stationary Expenses paid	9,700
Drawings	12,000
Furniture purchased on 1 <sup>st</sup> January, 2017	10,000
Additional Capital Introduced	50,000
Cash Purchases	2,800
General Expenses Paid	3,700

**Additional Information:**

- i) Discount allowed was Rs. 1,250 and discount received Rs. 860.
- ii) Bad Debts written off were Rs. 840.
- iii) Depreciation is to be provided on Furniture @ 10% p.a. and Machinery @ 20% p.a.
- iv) Wages outstanding Rs. 550.

Prepare Trading, Profit and Loss Account of M/s Bhavana Enterprises for the year ended 31<sup>st</sup> March and Balance sheet as on that date:

**OR**

- Q.2** What is Fund Based Accounting? Describe in brief Revenue Funds and Specific Funds with reference to Accounting for Educational Institutions.

**SECTION-II**

- Q.3** M/s Joshi Traders, Nasik has a branch at Aurangabad, to which goods are invoiced at Cost plus 33<sup>1/3</sup>%. The branch remits all cash received to head office daily. All branch expenses are paid from the head office. **(16)**

Particulars	Rs.
Branch stock (1.4.2016) at Invoice price	2,40,000
Branch Debtors ( 1.4. 2016)	60,000
Petty Cash ( 1.4. 2016)	8,000
Cash Sales	1,32,000
Discount to Debtors	18,000
Bad Debts written off	12,000
Returns from Debtors	6,000
Collection from Debtors	4,80,000
Goods from Head office (Invoice price)	8,40,000
Goods Return to Head office (Invoice price)	72,000
Credit Sales	6,00,000
Closing Stock ( 31.3.2017) Invoice price	2,64,000
<b>Cash Received from Head office for Expenses:</b>	
Petty cash	12,000
Salaries	48,000
Rent and Rates	16,000
Advertisement	20,000
Actual petty Expenses incurred by the Branch	14,000

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Prepare Branch Account, Branch Debtors Account and Branch Petty Cash Account as it would appear in the Books of Head Office.

**OR**

**Q.3** Explain in brief different types of Branches.

**Q.4** Newton Ltd. Issued to public 1,80,000 Equity share of Rs. 100 each at par. (16)  
Rs.50 per share was payable along with application and the balance on Allotment. The issue was underwritten equally by Suman, Prachi and Monali for a commission of 3%. They agreed for a firm underwriting of 10,000 shares each.

Applications for 1,40,000 shares excluding underwriters firm underwriting were received as below:

Applications with marking of Suman	47,500
Applications with marking of Prachi	42,500
Applications with marking of Monali	38,000
Unmarked Applications	12,000

Compute the underwriters liability and the amount payable/ receivable.

**OR**

**Q.4** What are the objectives of International Accounting Standard? Explain the challenges for Introduction of International Accounting Standard?

**Q.5** Write short notes on any **TWO** of the following: (16)

- a) Stock Reserve Account
- b) Partial underwriting
- c) Need of Accounting Packages
- d) Application of International Accounting Standard

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