

S.D.E.

M. Com. Sem-II (CBCS 2018 Course) : SUMMER - 2019
SUBJECT : ELECTIVE – A GROUP : ADVANCED ACCOUNTING – III

Day : Tuesday
Date : 16/04/2019

S-2019-4759

Time : 03.00 PM TO 06.00 PM
Max. Marks : 70

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 The following is the Balance Sheet of H Ltd., A Ltd. and B. Ltd. as on 31st March, 2018. **(16)**

| Liabilities | H Ltd. ₹ | A Ltd. ₹ | B Ltd. ₹ | Assets | H Ltd. ₹ | A Ltd. ₹ | B Ltd. ₹ |
|---------------|-----------|-----------|----------|------------------|-----------|-----------|----------|
| Share Capital | 10,00,000 | 5,00,000 | 2,00,000 | Fixed Assets | 6,00,000 | 3,00,000 | 1,50,000 |
| Reserves | 1,50,000 | 1,50,000 | 1,20,000 | Current Assets: | | | |
| P & L A/c | 2,50,000 | 3,00,000 | 1,20,000 | Stock | 4,00,000 | 3,80,000 | 3,00,000 |
| Creditors | 3,00,000 | 2,00,000 | 1,30,000 | Debtors | 1,50,000 | 2,20,000 | 1,00,000 |
| | | | | Bank | 50,000 | 30,000 | 20,000 |
| | | | | Shares in A Ltd. | 5,00,000 | - | - |
| | | | | Shares in B Ltd. | - | 2,20,000 | - |
| | 17,00,000 | 11,50,000 | 5,70,000 | | 17,00,000 | 11,50,000 | 5,70,000 |

H Ltd. purchased 90% shares in A Ltd. when latter's credit balance of Profit and Loss A/c was ₹ 80,000 and Reserve of ₹ 60,000.

A Ltd. purchased 80% shares in B Ltd. when B Ltd. had ₹ 20,000 in Reserve and ₹ 30,000 as credit balance in Profit and Loss A/c

H Ltd. and A. Ltd. acquired shares in subsidiaries on the same date.

Prepare the consolidated Balance Sheet of H Ltd. as on 31st March 2018.

OR

Explain in brief the accounting policies followed by mutual funds for the preparation of accounts.

Q.2 Uttara Ltd. Presents you with the following Balance Sheet as on 31st March 2018 **(12)**

| Liabilities | ₹ | Assets | ₹ |
|---|-----------------|-------------------------|-----------------|
| Share Capital: | 2,00,000 | Goodwill | 30,000 |
| • 2000 Equity Shares of ₹100 each fully paid up | | Land and buildings | 75,000 |
| • 1500 7% Preference Shares of ₹100 each full paid up | 1,50,000 | Plant and Machinery | 1,50,000 |
| Profits prior to incorporation | 5,000 | Patents | 15,000 |
| 6% Debentures | 1,50,000 | Stock | 1,00,000 |
| Sundry Creditors | 80,000 | Sundry Debtors | 85,000 |
| Bills Payable | 20,000 | Cash | 2,500 |
| | | Preliminary Expenses | 10,000 |
| | | Underwriting Commission | 2,500 |
| | | Profit and Loss | 1,35,000 |
| | 6,05,000 | | 6,05,000 |

P.T.O.

The following scheme of reconstruction was duly approved.

- 1) 7% Preference Share be converted into 8% Preference Shares of the amount being reduced by 30%.
- 2) Equity Shares be reduced to fully paid shares of ₹50 each.
- 3) Land and Buildings be appreciated by 20%.
- 4) 6% Debentures be reduced by 20%.
- 5) All intangible assets and fictitious amounts including Patents be written off.
- 6) Utilise profits prior to incorporation if necessary.
- 7) Equity shareholders to subscribe Equity Shares of ₹50,000, the amount to be utilized for acquiring new Plant and Machinery.

Give Journal Entries resulting from it and prepare Balance Sheet as on 31st March 2018.

OR

- a) Explain the subdivision and consolidation of shares with reference to the scheme of internal reconstruction. (06)
- b) Explain alteration and reduction of share capital. (06)

Q.3 The Good Luck Ltd. went into voluntary liquidation as on 31st March, 2018. (12)
The Balance Sheet as on that date is as follows:

Balance Sheet as on 31st March 2018

| Liabilities | ₹ | Assets | ₹ |
|---|-----------------|-------------------------|-----------------|
| Share Capital: | 1,50,000 | Cash in hand | 10,000 |
| • 15000 Preference Shares of ₹ 10 each full paid up | | Stock of Raw Materials | 50,000 |
| • 2000 Equity Shares of ₹ 10 each, ₹ 7 paid up | 1,40,000 | Stock of finished goods | 1,50,000 |
| Secured Loan from Bank (Against Pledge of Stock of Raw Materials) | 38,000 | Other Assets | 1,45,000 |
| Preferential Creditors | 1,200 | Profit and Loss | 76,000 |
| Unsecured Creditors | 1,01,800 | | |
| | 4,31,000 | | 4,31,000 |

The assets realized are as follows:

- 1) Stock of Raw Materials realised by Bank ₹ 30,000.
 - 2) Stock of finished goods ₹ 80,000 and other Assets ₹ 20,000.
 - 3) The liquidator is entitled to a fixed remuneration of ₹ 1,000 plus 3% of the assets realised by him only.
 - 4) The expenses of liquidation amounted to ₹ 11,000.
 - 5) Preference shares are preferential as regards capital repayment.
- Show the liquidators Final Statement of Account.

OR

- a) Explain the types of voluntary winding up of the company. (06)
- b) How the statement of affairs is prepared by the liquidator of the company? (06)

Q.4 a) Explain the content of Balance Sheet and Revenue Accounts with reference to the Accounts of Mutual Funds. (08)
b) Explain the concept of Capital Profit and Revenue Profit with reference to the accounts of Holding Company. (07)

Q.5 Write short notes on **ANY THREE**: (15)
a) Non-Banking Financial Companies
b) Stock Brokers
c) Minority Interest
d) Inter Company Transactions
e) Distinction between Internal Reconstruction and External Reconstruction