

**M. COM. SEM - II (CHOICE BASED CREDIT SYSTEM) (2012  
COURSE) : SUMMER - 2018  
SUBJECT : ELECTIVE – I: ADVANCED ACCOUNTING – III**

Day : **Tuesday**  
Date : **17/04/2018**

**S-2018-0369**

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

**N.B.:**

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.

**Q.1** You are required to prepare from the following data, the consolidated balance sheet of a group of companies. [15]

**Balance Sheet as on 31.03.2016**

Assets	A Ltd.	B Ltd.	C Ltd.
Fixed Assets	8,00,000	14,00,000	10,00,000
Investments (at cost)			
Shares in B Ltd.	18,00,000	---	---
Shares in C Ltd.	4,40,000	11,00,000	---
Stock in Trade	3,00,000	---	---
B Ltd., Balance	2,00,000	---	---
Sundry Debtors	1,80,000	1,60,000	4,80,000
A Ltd. Balance			80,000
	<b>37,20,000</b>	<b>26,60,000</b>	<b>15,60,000</b>
Liabilities	A Ltd.	B Ltd.	C Ltd.
Share Capital	25,00,000	20,00,000	12,00,000
P & L A/c	8,00,000	3,20,000	3,60,000
C Ltd. Balance	80,000	---	---
Sundry Creditors	3,40,000	1,60,000	---
A Ltd. Balance		1,80,000	---
	<b>37,20,000</b>	<b>26,60,000</b>	<b>15,60,000</b>

**Notes:**

- a) The share capital of all companies is divided into shares of Rs. 100 each.
- b) A Ltd., held 15,000 shares of B Ltd., and 2000 shares of C Ltd.
- c) B Ltd., held 8,000 shares of C Ltd.
- d) All investments were made on 30<sup>th</sup> Sept, 2015.
- e) The following were balances of P & L A/c as on 1<sup>st</sup> April, 2015.

B Ltd.	C Ltd.
2,80,000	1,20,000
- f) B Ltd., sold goods costing Rs. 36,000/- to A Ltd., at a price of Rs. 40,000. These goods were still unsold on 31<sup>st</sup> March, 2016.

**OR**

Explain in brief the Accounting Policies followed by mutual funds for the preparation of the Accounts.

**P.T.O.**

Q.2

Following is the Balance Sheet of Blue Ltd., as on 31<sup>st</sup> March, 2016.

[15]

Liabilities	Amount	Assets	Amount
Share Capital		Goodwill	1,20,000
8,000 Equity Shares of Rs. 100 each	8,00,000	Land and Building	4,30,000
6% Debentures	3,00,000	Plant and Machinery	3,70,000
Sundry Creditors	80,000	Patents	50,000
		Stock	80,000
		Debtors	45,000
		Cash at bank	1,000
		Profit and Loss Account	84,000
<b>Total</b>	<b>11,80,000</b>	<b>Total</b>	<b>11,80,000</b>

The company is not getting well due to heavy losses and thus the following scheme of reconstruction was accepted by all.

- Each equity share shall be sub-divided into equity shares of Rs. 10 each.
- After sub-division each equity shareholder will surrender 50% of his shareholdings.
- Debenture holder's total claim will be reduced to Rs. 1,80,000 and this would be satisfied by issuing them the shares surrendered.
- The claim of the sundry creditors shall be reduced by 20%.
- Out of the balance available the company decided to write off Goodwill, Profit and Loss A/c and Patents completely and Plant and Machinery by Rs. 2,25,000.
- Shares surrendered and not reissued shall be cancelled.

Pass the necessary journal entries and prepare the Balance Sheet after reconstruction.

OR

What do you mean by Internal Reconstruction of the company? Explain in brief the procedure of preparing the scheme of Internal Reconstruction.

Q.3

What is winding up or Liquidation of the company? What are the grounds for compulsory winding up? [15]

OR

What do you mean by Voluntary winding up of the company? Explain in brief the types of voluntary winding up.

Q.4

Write short notes on **ANY THREE** of the following:

[15]

- Capital Profit and Revenue Profit
- Inter-company Unrealized profit
- Advantages of Vertical Financial Statement
- Statement of affairs in Liquidation of the company
- Annual Reporting of the company
- Investment Company

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