

**M. COM. SEM - IV (CHOICE BASED CREDIT SYSTEM) (2012
COURSE) : SUMMER - 2018**

SUBJECT : ELECTIVE - I: ADVANCED ACCOUNTING - VII

Day : **Tuesday**
Date : **24/04/2018**

S-2018-0388

Time : **03.00 PM TO 06.00 PM**
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** A limited company with its head office in Mumbai has a branch in Kanpur [15]
which obtains goods partly from head office at cost and partly from outside
suppliers. The branch keeps a separate set of books. On 31st March 2016, the
following Trial Balances were extracted:

	Head Office		Branch	
	Dr. (Rs.)	Cr. (Rs.)	Dr. (Rs.)	Cr. (Rs.)
Share Capital		30,00,000		
Fixed Assets	16,00,000		8,00,000	
Profit and Loss Account 01.04.2015		4,00,000		
Opening Stock at Cost	14,00,000		1,90,000	
Debtors and creditors	17,00,000	10,00,000	1,50,000	2,05,000
Cash	3,00,000		1,00,000	
Purchases and Sales	1,20,00,000	1,40,00,000	6,75,000	22,50,000
Sundry Expenses	15,00,000		2,25,000	
Goods from H.O. to Branch		12,00,000	11,50,000	
Current Account on 31.03.2016	11,00,000			8,35,000
	1,96,00,000	1,96,00,000	32,90,000	32,90,000

Fixed Assets are to be depreciated at 10%. Stock on 31st March, 2016 were:

Head office Rs. 10,00,000 and Branch Rs. 2,10,000.

Prepare the profit and Loss Account of A Ltd., for the year ended 31st March,
2016 and its Balance Sheet as on that date.

OR

- a) What is Independent Branch? State the various types of Branches. [08]
- b) Explain the rules for conversion of Branch Trial Balance in Head Office Books. [07]

- Q.2** A Ltd., incorporated on 1st January, 2016 issued a prospectus inviting [15]
application for 5,00,000 equity shares of Rs. 10 each at a premium of 10%.

The whole issue was fully underwritten by A, B, C and D as follows:

A	2,00,000 Shares
B	1,50,000 Shares
C	1,00,000 Shares
D	50,000 Shares

P.T.O.

Applications were received for 4,50,000 Shares of which marked applications were as follows:

A	2,20,000 Shares
B	90,000 Shares
C	1,10,000 Shares
D	10,000 Shares

You are required to prepare the statement showing the liabilities of individual underwriters.

OR

What are the Obstacles and Challenges to Introduction of International Accounting Standard? [15]

Q.3 A manufacturer sales his products in packages charging them out at Rs. 22 each. Customers are credited at Rs. 18 per package, if it is returned within six weeks. For accounting purpose at the end of the year all stocks with customers and in factory are valued at Rs. 14 per package, except those representing new ones which are valued at their purchase price i.e., Rs. 15 each. [15]

The following particulars are available for the year ended 31st March, 2016:

No. of packages with customers (01.04.2015)	6,800
No. of packages sent out to customers	10,500
No. of packages returned by customers	3,400
No. of packages destroyed by fire	200
No. of packages sold as scrap (for Rs. 300)	50
No. of packages in hand (01.04.2015)	5,000
No. of packages with customers (31.03.2016)	4,600

Purchases during the year 11,000 packages for Rs. 1,65,000/-.

You are required to prepare:

- Packages Stock Account.
- Packages Trading and Profit and Loss Account.

OR

What is Returnable and Non-Returnable Packages? What are the different prices considered while accounting the Returnable Packages? [15]

Q.4 Writes short notes on **ANY THREE** of the following: [15]

- Types of Underwriting Agreements
- Underwriting Commission
- Packages Stock Account
- Objectives of Accounting Standard
- Inter Branch Transactions
- Importance of International Accounting Standard

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