

**M. COM. SEM - I (CHOICE BASED CREDIT SYSTEM) (2012
COURSE) : WINTER - 2018**
SUBJECT: ELECTIVE – A GROUPS : ADVANCED ACCOUNTING – I

Day: Saturday
Date: 13/10/2018

W-2018-0406

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.
- 3) Use of calculator is **ALLOWED**.

Q.1 The Balance Sheet of Anju Ltd. As on 31-3-2018 was as follows. **(16)**

Liabilities	Rs.	Assets	Rs.
Share Capital:		Land and Buildings	1,40,000
2,000 Shares of Rs. 100 each	2,00,000	Plant and Machinery	1,10,000
General Reserve	64,000	Stock	98,000
Profit and Less	60,000	Debtors	42,000
Bills Payable	42,400	Cash in hand	14,400
Creditors	70,000	Advertising Suspense	32,000
	4,36,400		4,36,400

Anju Ltd. was absorbed by Sanju Ltd . on the following terms:

- a) Anju Ltd. agreed to write off Advertising Suspense against its own reserves.
 - b) Sanju Ltd. Revalued the assets of Anju Ltd. As under : Land and Buildings – Rs. 1,50,000; Plant and Machinery – Rs.1,04,000; Stock – Rs. 1,20,000 and Debtors at Book Value.
 - c) Sanju Ltd. took over the assets and liabilities of Anju Ltd. and agreed to discharge the purchase consideration in 2,600 Shares of Rs. 100 each at Rs. 110 per share and balance in cash.
 - d) Anju Ltd. Paid its liquidation expenses of Rs. 4,000.
- Prepare a Realization Account, Sanju Ltd. Account, Cash Account and Shareholders Account in the books of Anju Ltd.

OR

- a) What is Accounting Standard? What are the advantages of setting Accounting Standards? **(10)**
- b) Explain the limitations of Historical Accounting. **(06)**

Q.2 X Ltd. and Y Ltd are two companies carrying on business in the same line of activity. Their Balance Sheet as on 31-3-2018 are given below: **(16)**

Liabilities	X Ltd Rs.	Y Ltd Rs.	Assets	X Ltd Rs.	Y Ltd Rs.
Fully paid up Equity Shares of Rs Rs. 10 each	6,00,000	2,00,000	Land and Machinery	1,00,000	-
General Reserve	4,00,000	2,00,000	Plant and Machinery	7,00,000	3,00,000
Secured Loans	6,00,000	1,00,000	Investments	1,00,000	-
Current Liabilities	6,00,000	4,00,000	Stocks	9,00,000	4,00,000
			Debtors	3,00,000	1,00,000
			Cash at Bank	1,00,000	1,00,000
	22,00,000	9,00,000		22,00,000	9,00,000

P.T.O.

The two companies decided to amalgamate into XY Ltd. The following further information is given.

- X Ltd. holds 8,000 Shares in Y Ltd. @ Rs. 12.50 each.
 - All assets and liabilities of the two companies, except Investments are taken over by XY Ltd.
 - Each Share in Y Ltd. is valued @ Rs. 25/- for the purpose of the amalgamation.
 - Shareholders in X Ltd. and Y Ltd. are paid off by issuing to them sufficient number of Equity Shares of Rs. 10 each in XY Ltd. as fully paid up at par.
 - Each share in X Ltd. valued @ Rs. 15 for the purpose of the amalgamation.
- Show journal entries to close the books of both the companies.

OR

- What is External Reconstruction of the company? How the purchase consideration is determined. (10)
- Explain current cost Accounting in detail. (06)

Q.3 From the following Balance Sheets of Vishakha Ltd. prepare a Cash flow statement. (16)

Liabilities	31-3-2017	31-3-2018	Assets	31-3-2017	31-3-2018
Equity Share Capital	3,00,000	4,00,000	Fixed Assets	4,00,000	5,50,000
Profit and Loss Account	85,000	1,10,000	Stock	2,00,000	2,25,000
Bank Loan	1,00,000	75,000	Debtors	2,10,000	1,90,000
Accumulated Depreciation	80,000	1,35,000	Bills Receivable	80,000	1,10,000
Creditors	3,10,000	2,95,000	Bank	30,000	-
Proposed Dividend	45,000	60,000			
	9,20,000	10,75,000		9,20,000	10,75,000

Additional Information:

A piece of machinery costing Rs. 60,000 on which accumulated depreciation was Rs. 15,000 was sold for Rs. 30,000.

OR

- Explain the concept and role of accounting theory in detail. (10)
- What are the objectives of 'Inflation Accounting'? (06)

Q.4 Write short notes on any **THREE** of the following (12)

- Purchase consideration
- Accrual basis of Accounting
- Revenue Recognition (AS9)
- Generally Accepted Accounting Principles
- Current Cost Accounting