

## M. Com. Part-II : WINTER - 2018

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

Day: Saturday  
Date: 13/10/2018

W-2018-4338

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

**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** The Balance Sheet of a limited company discloses the following position as (16)  
on 31<sup>st</sup> March, 2017.

Liabilities	Rs.	Assets	Rs.
1,000 8% preference shares of Rs. 100 each fully paid	1,00,000	Land and Building	3,50,000
1,000 Equity shares of Rs. 100 each fully paid	1,00,000	Plant and Machinery	4,00,000
General Reserve	10,000	Stock in Trade	2,00,000
Profit and Loss A/c	40,000	Debtors	1,50,000
7% Mortgage Debentures	5,00,000	Cash at Bank	50,000
Trade Creditors	4,00,000		
	<b>11,50,000</b>		<b>11,50,000</b>

You are asked to value its goodwill at Four years purchase of super profits, calculated on the basis of Simple average profit of past 3 years.

- i) The present of market value of plant and Machining is Rs. 5,00,000
- ii) The profits after Tax of past 3 years were as follows:

Year	Profit after Tax
2014-15	1,00,000
2015-16	1,50,000
2016-17	1,70,000
- iii) The reasonable return on capital invested in the class of business done by the Company is 10%.

**OR**

- Q.1 a)** What is Intrinsic value of shares and also explain the procedure of calculation of Intrinsic value of shares? (10)
- b)** What points should be remembered in valuation of shares? (06)

- Q.2** You are given:- (16)

- i) The Balance Sheet of Mr. Suresh as on 31<sup>st</sup> March, 2016.
- ii) The Cash Account for the year ended 31<sup>st</sup> March, 2017.
- iii) Additional Information:  
You are required to prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2017 and Balance Sheet as on that date:

P. T. O.

**Balance Sheet as on 31<sup>st</sup> March, 2016**

Liabilities	Rs.	Assets	Rs.
Capital	10,000	Plant and Machinery	7,000
Sundry Creditors	2,000	Furniture	1,000
Bills payable	4,000	Stock	2,000
		Bills Receivable	2,000
		Sundry Debtors	2,500
		Cash	1,500
	<b>16,000</b>		<b>16,000</b>

**Cash Account for the year ended 31<sup>st</sup> March, 2017**

Particulars	Rs.	Particulars	Rs.
To Balance b/d	1,500	By Wages	2,000
To Cash Sales	3,500	By Drawings	1,200
To Debtors	8,000	By Payments to creditors	3,500
To Bills Receivable	7,500	By Bills payable	6,000
		By Sundry Expenses	3,000
		By Rent and Taxes	2,000
		By Balance c/d	2,800
	<b>20,500</b>		<b>20,500</b>

**Additional Information:**

Particulars	Rs.
Sundry Debtors as on 31-3-17	4,000
Sundry Creditors as on 31-3-17	2,500
Bills Receivable as on 31-3-17	4,500
Bills payable as on 31-3-17	5,000
Stock as on 31-3-17	3,000
Bills Receivable dishonoured during the year	500
Bills payable dishonoured	200
Discount allowed	250
Bills Receivable Endorsed	1,500
Bills Receivable Endorsed dishonoured	200
Discount Received	650

**OR**

**Q.2** Define and explain the Accounting for Government grants As-12?

**SECTION-II**

**Q.3** M/s Jindal Ltd. Hyderabad as a branch at Mumbai. All purchases are made by head office. Goods are sent to Branch at Cost plus 50% the branch does not maintain double entry books of accounts, the books are kept at head office. Branch sells goods for cash as well as on credit. All cash expenses of branch are paid by Head Office. All cash collection is sent to head office every day. From the following information supplied to you prepare, Branch A/c in the books of head office for the year ended 31<sup>st</sup> March, 2017. **(16)**

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Particulars	Rs.
Stock at Branch at Invoice on 1 <sup>st</sup> April, 2016	33,450
Debtors at Branch on 1 <sup>st</sup> April, 2016	65,150
Furniture at Branch on 1 <sup>st</sup> April, 2016	16,000
Goods sent to Branch at Invoice Price	3,60,000
Cash Sales	1,40,000
Credit Sales	2,81,000
Cash Received from Debtors	2,91,000
Bad Debts at Branch	16,130
<b><u>Expenses of Branch Paid by Head Office :</u></b>	
Salaries	28,400
Rent	18,600
Printing and Stationary	14,400
Sundry Expenses	13,190
Goods Returned by Branch to Head Office at Invoice price	15,000
Goods Returned by Branch Debtors	12,000
Stock at Branch at Invoice price on 31 <sup>st</sup> March, 2017	39,000
Debtors at Branch on 31 <sup>st</sup> March, 2017	27,000
Furniture at Branch on 31 <sup>st</sup> March, 2017	14,400

OR

**Q.3** What are the transactions relating to Branches? List out the transactions relating to branches.

**Q.4** Jai Prakash Ltd. issued 2,00,000 Equity Shares which were underwritten as follows: (16)

Mr. Rahul 1,20,000 shares

Mr. Tushar 50,000 shares

Mr. Prasad 30,000 shares

The above mentioned underwriters made firm applications for firm underwriting as follows:

Mr. Rahul 16,000 shares

Mr. Tushar 20,000 shares

Mr. Prasad 6,000 shares

The total applications excluding firm underwriting but including marked applications were for 1,00,000 shares

The Marked applications were as under:

Mr. Rahul 20,000 shares

Mr. Tushar 25,000 shares

Mr. Prasad 10,000 shares

Compute the underwriters liability.

OR

**Q.4** Explain the applications of International Accounting standards in India.

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

- Debtors system in Branch Accounting
- Marked applications
- Advantages of Accounting packages
- Objectives of International Accounting standard

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