

**M. COM. SEM - IV (CHOICE BASED CREDIT SYSTEM) (2012  
COURSE) : WINTER - 2017**

**SUBJECT : ELECTIVE GROUP - A : ADVANCED ACCOUNTING – VII**

Day : Friday  
Date : 03/11/2017

**W-2017-0347**

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** X and Y are partners of business having Head Office in Delhi and Branch at Kolkata. X looks after the Delhi Head Office and Y looks after Kolkata Branch. X is entitled to 40% of the profit made at Delhi, while Y to 30% of the Profit at Kolkata. The balance of Profit and Loss is shared equally. The following Trial Balance as on 31 March 2017 is furnished to you. **(16)**

Particulars	Delhi		Kolkata	
	Dr.	Cr.	Dr.	Cr.
Opening Stock at Cost	30,000	--	40,000	--
Purchases and Returns	1,80,000	10,000	2,75,000	15,000
<b>Goods sent to :</b>				
Kolkata	--	50,000	--	--
Delhi	--	--	--	70,000
<b>Goods received from :</b>				
Kolkata	65,000	--	--	--
Delhi	--	--	48,000	--
Sales and Returns	15,000	3,15,000	20,000	3,70,000
Expenses	28,000	--	39,000	--
Customers Accounts	64,000	4,000	71,000	3,000
Suppliers Accounts	2,000	32,000	1,000	51,000
Bank Accounts	70,000	--	--	6,000
<b>Fixed Assets:</b>				
Opening written down value	50,000	--	80,000	--
Kolkata Branch A/c	--	5,000	--	--
Delhi Head Office A/c	--	--	17,000	--
<b>Capital and Drawings:</b>				
X	30,000	83,000	4,000	35,000
Y	5,000	40,000	25,000	70,000
	<b>5,39,000</b>	<b>5,39,000</b>	<b>6,20,000</b>	<b>6,20,000</b>

**Other Information:**

- i) On 31<sup>st</sup> March, 2017 Delhi Head Office remitted Rs. 50,000 by bank overdraft to Kolkata Branch. The envelope was received by the branch on 2<sup>nd</sup> April, 2017.
- ii) Stock at cost on 31<sup>st</sup> March, 2017 was worth: Delhi Rs. 46,000 and Kolkata Rs. 54,000.
- iii) Depreciation is to be provided at 10%.
- iv) 10% of the cash expenses relating to the Head Office are to be treated as overheads incurred on behalf of the Branch.

Prepare-

- a) Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2017
- b) Consolidated Balance Sheet as on 31<sup>st</sup> March, 2017 and
- c) Branch and Head Office Accounts in respective books.

**OR**

- a) What are the objectives of keeping Branch Accounts? **(08)**
- b) What is an 'Independent Branch'? State the various types of branches. **(08)**

**P.T.O.**

**Q.2** A Ltd. has an authorised capital of Rs.50,00,000 divided into 5,00,000 shares of Rs.10 each. The company issued 1,00,000 shares for subscription to the public at a premium of Rs.5 each. (16)

The entire issue was underwritten as follows:

A	60,000 shares	(firm underwriting : 10,000 shares)
B	30,000 Shares	(firm underwriting : 4,000 shares)
C	10,000 Shares	(firm underwriting : 2,000 shares)

Of the total issue, only 90,000 shares including firm underwriting, were subscribed for. Marked applications forms excluding firm underwriting were as follows :

A	32,000 shares
B	20,000 Shares
C	8,000 Shares

Calculate the liability of each underwriter giving the benefit of firm underwriting to all underwriters.

**OR**

**Q.2 a)** Distinguish between an underwriter and a broker. (08)

**b)** What is 'Firm Underwriting'? How the liability of underwriter is determined in firm under writing agreement? (08)

**Q.3** Samarth Ltd., has the stock of 2,000 packages valued at Rs. 5 each. During the year, the company purchased 4,000 packages. It issued 40,000 packages to customers and received from customers 37,000 packages. 40 packages were damaged of which 20 were repaired at a cost of Re. 1 per package. The purchase price of packages is Rs. 10 each but stocks are valued at Rs.5 each to allow for depreciation. (16)

You are required to prepare packages stock account.

**OR**

**a)** What does the company level international accounting encompass? (08)

**b)** State the importance and objectives of International Accounting Standards. (08)

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

- a)** Foreign Branch
- b)** Marked and Unmarked Applications
- c)** International Accounting Standards
- d)** Underwriting Agreement
- e)** Packages Stock Account

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