

MASTER OF COMMERCE (CBCS - 2018 COURSE)
M.Com. Sem-I : WINTER :- 2021
SUBJECT: ADVANCED ACCOUNTING-I

Day : Saturday
 Date 22-01-2022

W-18519-2021

Time : 02:00 PM-05:00 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 B. Co. Ltd., had the following Balance Sheet as on 31st March, 2015. **(16)**

Liabilities	₹	Assets	₹
Share Capital:		Goodwill	2,00,000
• 50,000 Shares of ₹100 each	50,00,000	Fixed Assets	83,00,000
Capital Reserve	10,00,000	Current Assets	69,00,000
General Reserve	36,00,000	Investment	17,00,000
Unsecured Loans	22,00,000		
Sundry Creditors	42,00,000		
Provision for Taxation	11,00,000		
	1,71,00,000		1,71,00,000

B. Co. Ltd., is amalgamated with Beesons Ltd., as on 31st March, 2015, on which date the Balance Sheet of Beesons Ltd., is as follows:

Liabilities	₹	Assets	₹
Share Capital:		Fixed Assets	1,60,00,000
• 8,00,000 Shares of ₹10 each	80,00,000	Current Assets	1,68,00,000
General Reserve	1,00,00,000		
Secured Loans	40,00,000		
Sundry Creditors	46,00,000		
Provision for Taxation	52,00,000		
Provision for Dividend	10,00,000		
	3,28,00,000		3,28,00,000

For the purposes of the amalgamation, the Goodwill of B. Co. Ltd., is considered valueless. There are also arrears of depreciation in B. Co. Ltd., amounting to ₹ 4,00,000. The shareholders in B. Co. Ltd., are allotted in full satisfaction of their claims, shares in Beesons Ltd., in the same proportion as the respective intrinsic values of the shares of the two companies bear to one another.

Pass journal entries in the books of both the companies to give effect to the above.

OR

- a) What do you mean by 'Amalgamation'? What are the different mode of payment of purchase consideration? **(08)**
- b) State the advantages of accounting standard. **(08)**

P.T.O.

Q.2 Vijay Ltd., agreed to acquire the business of Popular Ltd., as on 31st March, 2018. (16)

Liabilities	₹	Assets	₹
Share Capital:		Goodwill	1,00,000
A) Authorized Capital:		Land and Buildings	3,00,000
• 60,000 Equality Shares of ₹10 each	6,00,000	Plant and Machinery	3,40,000
B) Issued, Subscribed and Paid-up Capital:		Stock	1,68,000
• 60,000 Equity Shares of ₹10 each	6,00,000	Sundry Debtors	36,000
General Reserve	1,70,000	Cash in Hand	6,000
Profit and Loss	1,10,000	Cash at Bank	50,000
6% Debentures	1,00,000		
Sundry Creditors	20,000		
	10,00,000		10,00,000

The consideration payable by Vijay Ltd., was agreed as follows:

- A cash payment of ₹ 2.50 per share in Popular Ltd.
- The issue of 90,000, ₹ 10 Equity Shares in Vijay Ltd., having an agreed value of ₹15 per share.
- The issue of such an amount of fully paid 8% debentures of the Vijay Ltd., at 96% as is sufficient to discharge the 6% debentures of Popular Ltd., at a premium of 20%.

While computing the agreed consideration the directors of Vijay Ltd., valued Land and Buildings at ₹6,00,000; Plant and Machinery at ₹6,00,000; Stock at ₹1,42,000 and Debtors at their face value subject to a reserve of 5% to cover doubtful debts. The cost of liquidation of Popular Ltd., came to ₹5,000.

Show the necessary ledger accounts in the books of Popular Ltd., and draft journal entries required in the books of Vijay Ltd.

OR

- Discuss professional development of accounting in India. (08)
- Explain the concept of accounting theory. (08)

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

Liabilities	31.03.2017 ₹	31.03.2018 ₹	Assets	31.03.2017 ₹	31.03.2018 ₹
Equity Share Capital	3,00,000	4,00,000	Fixed Assets	4,00,000	5,50,000
Profit and Loss A/c	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

- Why the current cost accounting is used in inflation accounting? (08)
- Explain the advantages of cash flow statement. (08)

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

- Selection of accounting principles
- Inflation Accounting
- External Reconstruction
- Purchase Consideration
- Cash flow statement

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