

MASTER OF COMMERCE (CBCS - 2018 COURSE)

M.Com. Sem-III : WINTER :- 2021

SUBJECT: ADVANCED ACCOUNTING-V

Day : Wednesday

Date 9/2/2022

W-18537-2021

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 non-programmable **CALCULATOR** is allowed.

Q.1 Find out Market Value of Equity Shares from following: [16]

Balance Sheet

Liabilities	₹	Assets	₹
Capital : 5,000 Share of ₹ 100 each fully paid	5,00,000	Building	80,000
Reserve fund	1,50,000	Furniture	3,000
Depreciation Fund		Stock-in-Trade	4,50,000
Building 10,000			
Investment 45,000	55,000		
Profit & Loss A/c Balance 80,000		Investment $4\frac{1}{3}\%$ G.P.	3,00,000
Profit for the year 4,50,000	5,30,000	notes	
Sundry Creditors	48,000	Sundry Debtors	3,80,000
		Cash at Bank	70,000
Total	12,83,000	Total	12,83,000

Following information is available:

- a) Companies doing similar business show a profit earning capacity of 20%.
- b) Profits for the last 3 years have shown an increase of ₹ 30,000 annually.

OR

- a) Explain the various methods of Valuation of Goodwill. [08]
- b) In which circumstances goodwill to be valued? [08]

Q.2 The average net profit was (before adjustment) ₹ 2,07,000. It included investment income ₹ 2,000. The cost (also present value) of investments was ₹ 50,000. Expenses amounting to ₹ 3,000 p.a. are likely to be discontinued in future. 50 paise in a rupee may be taken as average annual taxation. 6% represented a fair commercial return. The average 'tangible' capital employed was ₹ 13,50,000 but upon valuation obtained, the capital was valued at ₹ 14,50,000. [16]

- a) Assuming seven years' purchase of super profits what is the value of Goodwill?
- b) What will be the value of Goodwill under capitalization method?

OR

- a) What are the advantages of historical cost approach for valuation of human resources? [08]
- b) What are the disadvantages of historical cost approach for valuation of human resources? [08]

P.T.O.

- Q.3** Balance Sheet as on 31.03.2018, is available with Kishor Ltd, Pune. He has supplied the following information from which you are required to prepare a Trading and Profit and Loss A/c for the year ended 31st March, 2019 and a Balance Sheet as on that date. [16]

Balance Sheet as on 31.03.2018

Liabilities	₹	Assets	₹
Capital	50,000	Cash	2,500
Creditors	10,000	Bank	5,000
Bills Payable	20,000	Bills Receivable	10,000
		Debtors	12,500
		Stock	10,000
		Furniture	5,000
		Plant	35,000
Total	80,000	Total	80,000

Cash Book for the year ended 31.03.2019

Dr.		₹	Cr.		₹
Receipts			Payment		
Opening Balance:			Drawings		6,000
Cash	2,500		Wages		10,000
Bank	(+) 5,000	7,500	Payment to Creditors		17,500
Cash Sales		17,500	Bills Payable Paid		30,000
Collection from Debtors		40,000	Sundry Expenses		15,000
Bills Receivable honoured		37,500	Rent, Rates and Taxes		10,000
			Closing Balance:		
			Cash	1,500	
			Bank	12,500	14,000
Total		1,02,500	Total		1,02,500

Additional Information:

- | | |
|---|----------|
| a) Debtors (31.03.2019) | ₹ 20,000 |
| b) Creditors (31.03.2019) | ₹ 12,500 |
| c) Bills Receivable (31.03.2019) | ₹ 15,000 |
| d) Bills Payable (31.03.2019) | ₹ 25,000 |
| e) Stock (31.03.2019) | ₹ 15,000 |
| f) Bills Receivable dishonoured during the year | ₹ 2,500 |
| g) Bills Payable dishonoured | ₹ 1,000 |
| h) Bills Receivable endorsed | ₹ 7,500 |
| i) Bills Receivable as endorsed dishonoured | ₹ 1,000 |
| j) Discount Allowed | ₹ 500 |
| k) Discount Received | ₹ 1,000 |

OR

- a) Explain special features of accounting for educational institutions. [08]
- b) Explain importance of Environmental Accounting. [08]

- Q.4** Write short notes on **ANY THREE** of the following: [12]

- a) Finance to educational institutions
- b) Value added statements
- c) Statement of affairs
- d) Functions of Treasury
- e) Valuation of Shares

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