

Name.....Reg. No.....

M. COM. DEGREE END SEMESTER EXAMINATION APRIL 2017

SEMESTER - 2: COMMERCE

COURSE: 16P2COMT06 -: ADVANCED FINANCIAL ACCOUNTING-II

(For Regular - 2016 admission)

Time: Three Hours

Max. Marks: 75

SECTION A

Answer **any ten** questions. Each question carries 2 marks

1. What is Liquidators Final Statement of Account?
2. Who is a Contributory?
3. What is Minority Interest?
4. What is Farm Accounting?
5. Differentiate an Underwriter from a Broker?
6. What is Deficiency Account?
7. What is Voyage Account?
8. What is Double Accounting System?
9. What are Contingent Liabilities?
10. What is a Consolidated Balance Sheet? Is it obligatory to prepare a Consolidated Balance Sheet as per Companies Act, 2013?
11. What is General Balance Sheet?
12. What is Green Accounting? (2 x 10 = 20)

SECTION B

Answer **any five** questions. Each question carries 5 marks

13. What is voyage in progress? How do you calculate the amount of voyage in progress?
14. Explain the objectives of Farm Accounting
15. Differentiate Open Underwriting from Firm Underwriting.
16. What are the advantages and disadvantages of double account system?
17. XY Ltd. went into liquidation on 30th June, 2010. Prepare liquidators Final statement of Account presented to the court by the liquidator on completing the windingup process.

Preferential creditors	10,00
	0
Unsecured creditors	1,50,0
	00

15% Debentures	2	
	00,	
	00	
	0	
12% preference share capital: Shares of Rs. 10	3	
each fully paid	00,	
	00	
	0	
Liquidation expense	2,000	
Secured creditors (securities realized Rs. 1,20,000)		1,60,000
Equity share capital: 40,000 shares of Rs.10 each fully paid		4,00,000

Liquidator is entitled to a remuneration @ 2% of all assets realized including assets held as security and 3% of amount paid to unsecured creditors including preferential creditors. Sundry assets realized Rs. 4,80,000.

18. An electricity company has a profit after tax (clear profit) Rs. 10,20,000 for the year ending 31st March, 2012. Other relevant information is as follows:

Rs.

Capital base of the company	62,00
	,000
Loan from Electricity Board	60,00,
	000
Development Reserve	20,00,
	000
12% debentures	80,00,
	000
Income from reserve fund	2,00,0
investment	00

Reserve Bank of India rate is 8 %

Calculate (a) Reasonable return, (b) Statement of Surplus, (c) Disposal of surplus and (d) Pass Journal Entry.

19. The following relate to the Paddy crop division of an agricultural farm for the year ended 31st December 2003.

Opening stock:

	Rs.
Paddy	21,0
	00
Seeds	3,00
	0
Fertilizers	4,00
Purchases:	0

Seed	7,00	
	0	
Fertilizers	28,0	
Wages:	00	
Paid in cash	42,0	
	00	
Paid in kind (rice)	18,0	
	00	
Hire charges for farm machinery	8,00	
	0	
Charges for cattle employed in field	3,00	
	0	
Sales of paddy		
1,80,000		
Paddy used by the proprietor		6,000
Stock on 31.12.2003:		
Paddy		
9,000		
Seeds		6,000
Fertilizers		2,000

Prepare an account to find out the profit and loss of Paddy crop division.

20. Jala Dhara of Sunrise Ships started its voyage from Cochin to Kolkota on 1st March 2014. On 31 st March 2014, the date of closing the books the ship is on its return journey. The following relate to the entire voyage including the return journey.

Wages and salaries	80,000
Harbour charges	1,00,000
Diesel and fuel	5,00,000
Depreciation for the period	20,000
General expenses of the month	24,000
Insurance of the ship for the voyage	16,000
Freight outward	8,00,000
Freight earned on inward journey	4,00,000

Primage 10% of freight

Address commission:

Outward journey 5%

Inward journey 4 %

On 31st March the ship is only in her return journey. Prepare the voyage account for the period ended 31 March 2014.

(5 x 5 = 25)

SECTION C

Answer **any Three** questions. Each question carries 10 marks

21. Farm Accounting is a method of accounting with undefined concepts and intricate features Comment.
22. Prakash Processors Ltd. went into voluntary liquidation on 31st December, 2001 when their Balance Sheet read as follows:

Liabilities	Rs.	Assets	Rs.
Issued and subscribed Capital: 10,000 10% cumulative preference shares of Rs. 100 each fully paid	10,00,000	Land and Buildings	5,00,000
5,000 equity shares of Rs.100 each, Rs. 75 paid	3,75,000	Machinery and Plant	12,50,000
15,000 equity shares of ' 100 each, Rs. 60 paid	9,00,000	Patents	2,00,000
15% Debentures secured by a floating charge	5,00,000	Stock	2,75,000
Interest outstanding on debentures	75,000	Sundry Debtors	5,50,000
Creditors	6,37,500	Cash at bank	1,50,000
	34,87,500	Profit and Loss A/c	5,62,500
			34 ,
			87,500

Preference dividends were in arrears for 2 years and the creditors included preferential creditors of Rs. 76,000.

The assets realised as follows:

Land and buildings Rs. 6,00,000; Machinery and plant Rs.10,00,000; Patents Rs. 1,50,000; Stock Rs. 3,00,000; Sundry debtors Rs. 4,00,000.

The expenses of liquidation amounted to Rs. 54,500. The liquidator is entitled to a commission of 3 % on assets realised except cash. Assuming the final payment

including those on debentures is made on 30th June, 2002. Show the liquidators Final Statement of Account.

23. The following are the balances on 31st March 2012 in the books of Bhoopathi Power Co. Ltd.

Particulars	Dr. Rs.	Cr. Rs.
Land on 31.3.2011	3 , 00,000	
Outlay on land during the year	10,000	
Machinery on 31.3.2011	12,00,000	
Outlay on machinery during the year	10,000	
Mains incl. cost of lying on 31.3.2011	4 , 00,000	
Outlay on Mains during the year	1 , 00,000	
Equity share capital		10,98,0 00
Debentures		4,00,0 00
Sundry creditors		2,000
Depreciation reserve		5,00,0 00
Sundry debtors for current supplied	80,000	
Other debtors	1,000	
Cash	12,000	
Cost of generating electricity	70,000	
Cost of distributing electricity	10,000	
Cost of public lamps	10,000	
Management expenses	24,000	
Depreciation	40,000	
Sale of current		2,60,00 0
Rent of meters		10,000
Interest on debentures	20,000	
Interim dividend	40,000	
Balance of Net Revenue A/c on 31.3.2011		57,00 0
		<u>23,27,000</u>

23 ,27,000

Prepare (i) Revenue Account, (ii) Net Revenue Account, (iii) Capital Account and (iv) General Balance Sheet.

24. The following are the Balance Sheets of H Ltd. and its subsidiary S Ltd. as on 31st March, 2017. Balance Sheet as on 31 March 2017

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital (shares of Rs.10 each)	2,00,00 0	1,00,00 0	Land and buildings	2,60,0 00	1,50,0 00
General Reserve	10,000	20,000	Stock	1,20,00 0	80,000
Profit and loss account	30,000	-	Cash	80,000	40,000
Trade creditors	3,30,00 0	2,50,00 0	Investments in 7,500		
			Shares of S Ltd.	1,10,0 00	
			Miscellaneous expenses: Profit and loss account Preliminary expenses Discount on issue of shares		60,000 30,000 10,000
	5,70,00 0	3,70,00 0		5,70,0 00	3,70,0 00

H Ltd. acquired 75% of the shares of S Ltd. on 1st October 2016. On 1st April 2016 the general reserve of S Ltd. was Rs. 20,000 and profit and loss account debit balance was Rs. 20,000. The loss during the year was evenly occurred. Prepare Consolidated Balance Sheet.

(10 x 3 = 30)
