

Reg. No

Name

25P2008

M. COM DEGREE END SEMESTER EXAMINATION - APRIL 2025

SEMESTER 2 : COMMERCE

COURSE : 24P2COMT06 : ADVANCED FINANCIAL ACCOUNTING – II

(For Regular - 2024 admission)

Duration : Three Hours

Max. Weights: 30

PART A

Answer any 8 questions

Weight: 1

1. A Ltd. Acquired 70% interest in B Ltd on 1.1. 2017. On the date, B Ltd had paid-up capital of Rs.1,00,000 consisting of 10,000 equity shares of Rs.10 each and accumulated balance in reserve and surplus of Rs.1,00,000. On that date, assets and liability of B Ltd. were also revalued and revaluation profit of Rs.20,000 were calculated. A Ltd paid Rs.1,30,000 to purchase the said interest. Find the value of goodwill or capital reserve. (A)
 2. A company's clear profit for current year is 4,50,000 and Reasonable return is 3,50,000. Advise the company in disposal of surplus. (U)
 3. Explain briefly the position of forensic accounting in India. (U)
 4. Explain Clear Profit. (U)
 5. Calculate the liquidator's remuneration from the following particulars:
Assets realised: Rs. 18, 90,000 including cash balance: Rs.90,000
Liquidator's remuneration: 2% on the assets realised. (A)
 6. Discuss briefly the advantages of AI? (U)
 7. What is the difference between insolvency and liquidation? (U)
 8. Write two advantages of Holding Companies. (U)
 9. What is the position of green accounting in India? (U)
 10. What do you mean by the terms Stevedoring charges and bunker cost? (I)
- (1 x 8 = 8)**

PART B

Answer any 6 questions

Weights: 2

11. A enters into a contract with X Ltd., to underwrite its 5,000 shares of Rs.100 each in consideration of 5% commission. He also enters into an agreement with C to sub-underwrite 2,000 shares of X Ltd. at a commission on 2%. The public subscribes only 2,500 shares and subsequently the unsubscribed shares were taken up by A who in turn sold it @ Rs.90 per share. The shares taken up by C were sold @ Rs.100 per share. Expenses of underwriting amounts to Rs.6000. Prepare Underwriting Account in the books of A. (A)
12. Bad Luck Limited went into voluntary liquidation and the proceedings commenced on 2nd July, 2012. Certain creditors could not receive payment out of the realization of assets and out of the contributions from the contributories of the 'A' list. Following details of share transfers are made available to you: (A)

Name of the transferor shareholder	No of shares transferred	Date of the transferor ceasing to be a member	Creditors remaining unpaid and outstanding at the time of the transferor ceasing to be a member
(i) A	1,000	1 st March,2011	6,000
(ii) B	1,250	15 th August,2011	8,000
(iii) C	500	1 st October,2011	10,750
(iv) D	2,000	1stDecember,2011	13,000
(v) E	250	1 st April,2012	15,000

All the shares were of Rs. 10 each, on which Rs. 5 per share had been paid up. Ignoring other details like liquidator's expenses etc., **You are required to work out the liability of the individual contributories listed above.**

13. Explain the following terms in the context of preparing consolidated Balance Sheet:
a) Cost of Control b) Intercompany Owings c) Dividend out of pre-acquisition profit d) Minority interest and e) Bonus issue out of post-acquisition profit. (U)
14. H Ltd stock includes goods worth Rs.25,000 purchased from S Ltd , on which S Ltd charged a profit of 20% on sales. What is the treatment in consolidated Balance Sheet? (A)
15. A water supply concern had to replace a quarter of the mains and lay an auxiliary main for the remaining length in order to augment supply water to a locality, The total cost of original mains was 8,00,000. The auxiliary main cost Rs. 9,00,000 and new main cost 3,50,000. It is estimated that cost of laying a main has gone up by 30%. Parts of the old mains realised 15,000. Pass journal entries to record the above and prepare Replacement account. (A)
16. Explain some of the techniques used by forensic accountant to examine frauds. (U)
17. A Five Star Hotel in Goa has 300 lettable rooms out of which 200 rooms are single bed rooms and 100 rooms are double bed rooms. On 30th November, 2018, 160 single rooms and 80 double rooms are occupied by the guests. Calculate the bed Occupancy rate for the day. (A)

and

Mr Kavi arrives in New Delhi and occupies a room in a Five-star hotel at 10 a.m. on 11th October, 2014 on European plan @ Rs 1,800 for a stay of every 24 hours or a part thereof. Calculate the amount payable by Mr Kavi in the following circumstances assuming that service charge is also payable @ 10% in addition to room rate:

- a) if Mr. Kavi checks out at 5 p.m. on 11th October, 2014 itself;
- b) if Mr. Kavi checks out at 8 a.m. on 12th October, 2014;
- c) if Mr. Kavi checks out at 2 p.m. on 12th October, 2014; and
- d) if Mr. Kavi checks out at 11 p.m. on 13th October, 2014;

18. Explain the need and importance of Green Accounting.

(R)
(2 x 6 = 12)

PART C
Answer any 2 questions

Weights: 5

19. From the data relating to a company in voluntary liquidation, you are asked to **prepare Liquidator's Final Statement of account**

	Amount
Cash with Liquidator (after all assets were realised and secured creditors and Debenture holders were paid) is	6, 73,800
Preferential creditors to be paid	30,000
Other unsecured creditors to be paid	2,15,000
4,000, 6% Preference shares of ₹ 100 each	4,00,000
2,000, equity shares of ₹100 each 75 paid	
6,000, equity shares of ₹100 each 60 paid	
Liquidator's remuneration : 2% on preferential and other unsecured creditors	
Preference dividends were in arrear for two years	

(A)

20. A Ltd holds 80% of equity shares of B Ltd. Which was acquired on 31.12.2006 when the latter company had a credit balance of P&L account Rs.15,000 and General reserve of Rs.20,000. Stock held by A Ltd includes Rs.5000 goods supplied by B Ltd. at a profit of 20% on selling price. The stock of B Ltd includes Rs.12,000 goods sold by A Ltd at a profit of 20% on cost. From the following balance sheets prepare consolidated balance sheet as on 31.12.2008

	A Ltd	B Ltd		A Ltd	B Ltd
Equity shares @ 10	5,00,000	1,00,000	Freehold Properties	2,30,000	20,000
Capital Reserve	1,00,000		Furniture	15,500	3,000
General Reserve	1,20,000	30,000	Investments (In 8,000 shares of B Ltd)	1,20,000	
P&L A/C	40,000	10,000	Stock	4,14,000	1,23,000
Creditors	1,49,700	36,000	Debtors	87,000	37,400
Bills Payable	21,300	1,000	Cash	64,500	
Bank O/D		6,400			
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	<u>9,31,000</u>	<u>1,83,400</u>		<u>9,31,000</u>	<u>1,83,400</u>

(U)

21. S.S Jalasakti sailed from Mumbai on 1st February, 2019 and arrived at Kolkata on 31st March, 2019 via Marmagoa, Cochin and Vishakapatnam. She was loaded with 800 tons of cotton at Mumbai for Vishakapatnam. At Cochin a further load of 600 tons of coconut oil was booked for Kolkata. Besides, 100 tons of textiles were also loaded at Mumbai for Marmagoa. The freight charges were as follows:

(A)

Mumbai to Vishakapatnam	Rs. 80 per ton
Mumbai to Marmagoa	Rs. 25 per ton
Cochin to Kolkata	Rs. 60 per ton

Plus Primage 10% and subject to commission at 4% and brokerage at 2% .
Following were the expenses at different ports:

	Mumbai	Marmagoa	Cochin	Vishakapatnam	Kolkata
Coal	14,000			2,000	
Port charges	4,000	600	1,000	1,000	3,000
Captain's Expenses	800	500	300	600	700
Harbour wages	1,200	700	1,100	1,200	2,000
Loading charges	1,600		1,200		

Following were the other expenses:

Stores supplied	8,400
Discharging expenses	5,200
Despatching of Funds	400
Interest on Advances	500

Postage Bills	600
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The ship was insured for Rs. 5,00,000 at 1.5% premium for the voyage and the total freight was insured at 1/2 % premium. Depreciation is to be charged on the book value of the ship at Rs. 4,50,000 at 4% p.a. The wages of the sailors are Rs. 8,400 per month.

Prepare Voyage Account

22. Following balances relate to Bijlee Electric Co. Ltd and pertains to its account for the year ended on 31-3-2019:

Particulars	Rs (in lakhs)	Particulars	Rs (in lakhs)
Share capital	200	Development Reserve	20
Fixed Assets	400	10% Debentures	16
Average of current assets	40	Depreciation Reserve on Fixed Assets	160
Reserve Fund(invested in 6% Govt. Securities F.V Rs 120 Lakhs)	120	Security Deposits of Customers	150
6% Investments of the contingency reserve	40	Customers' Contribution to main lines	4
Loans from electricity board	60	Preliminary Expenses	10
		Tariffs & Dividend Control Reserve	12

(A)

The company earned profit of Rs 22 lakhs before charging debenture interest. Indicate the disposal of profit, bearing in mind the provisions of the electricity (supply) Act, 1948, assuming the RBI rate on the relevant date was 8%.

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
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Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;