

M. COM DEGREE END SEMESTER EXAMINATION - APRIL 2026
SEMESTER 2 : COMMERCE
COURSE : 21P2COMT06 : ADVANCED FINANCIAL ACCOUNTING – II
(For Supplementary 2023/ 2022/2021 Admissions)

Time : Three Hours

Max. Weights: 30

PART A**Answer any 8 questions****Weight: 1**

1. Comment on this status of Artificial Intelligence in India? (U)
2. Calculate the amount to be capitalized from the following particulars, under double account system. (A, CO 3)
 - Original cost of an asset = Rs.3,00,000
 - Present cost or replacement = Rs.3,90,000
 - Amount spent for replacement= Rs.4,70,000
3. Define Voyage Account. How is it prepared? (I)
4. Calculate Liquidator's Remuneration: (A, CO 2, CO 3)

	Amount
Cash available for distribution among unsecured creditors	88,000
Unsecured creditors	60,000
Liquidator's remuneration is 10% of the amount distributed among the unsecured creditors	
5. What do you meant by capital base? (U, CO 3)
6. S Ltd. has a Capital of Rs. 2.00,000 in shares of Rs. 100 each out of which H Ltd. purchased 75% of the shares at Rs 2,40,000. The profit of S Ltd. at the time of purchase of shares by H Ltd were Rs. 1,10,000, S Ltd. decided to make a bonus issue out of pre- acquisition profit of one share for every five shares held . Calculate the cost of control of acquiring shares of S Ltd: (A, CO 3)
 - (a) Before the issue of bonus shares (b) After the issue of bonus shares.
7. State the benefits of green accounting. (R)
8. Explain briefly the position of forensic accounting in India. (U, CO 6)
9. What is holding company? (U, CO 3)
10. Explain the treatment of calls in arrear in statement of affairs. (U, CO 2, CO 3)
(1 x 8 = 8)

PART B**Answer any 6 questions****Weights: 2**

11. Following are the balances as at 31-3-2019 in the books of the Indian Railway Company Ltd. (A)
 Make out the Receipts and Expenditure on capital account for the year 2018-2019 and the General Balance Sheet as at 31-3-2019:

Particulars	Rs	Particulars	Rs
Traffic Accounts due from other railways	1,31,900	Equity shares issued in 2018-2019 and paid up	60,000
Expenditure on lines open for traffic	2,88,000	Premium on shares as at 1 st April, 2018	16,500
Expenditure on working stock	96,000	Premium on shares received in 2018-19	6,600
Expenditure on motor boats	48,000	Debentures	99,000
Expenditure on docks, harbours and wharves	45,000	Net Revenue Account, balance at credit	860
Subscription to other companies	30,000	Renewals Reserve Account	7,500
Preference shares paid up as at 31-3-2019	2,55,000	Sundry Creditors	3,750

Equity shares as at 1-4-2018	2,40,000	Cash at Bank	4,110
		Cash on Deposit in bank	13,500
		Investments	8,700
		Spare Stock	7,500
		Sundry Debtors	16,500

12. Discuss the meaning and scope of Green Accounting?

(R,
CO
5,
CO
6)

13. H Ltd. acquired all the shares in S Ltd. on 1st January, 2019 and balances taken from the books of the two companies on March 2019 were as follows:

	H. Ltd	S. Ltd
I. Equity and liabilities		
(1)share holder's fund		
(a) share capital:	50,000	30,000
(b) Reserves and surplus :		
(i)general reserve 1-4-2018	20,000	15,000
(ii)surplus account	25,000	10,000
(2) current liabilities		
Sundry creditors	20,000	15,000
Total	1,15,000	70,000
II. Assets		
(1) non current assets		
(a) fixed assets :		
(i) Sundry Assets	65,000	70,000
(b) investment in shares of S. Ltd at cost	50,000	
(2) current assets		
(a) stock		
(b) debtors		
(c) cash		
Total	1,15,000	70,000

(A,
CO
2,
CO
3)

Surplus Account of S Ltd. had a credit balance of 3,000 on 1st April, 2018. Prepare a Consolidated Balance Sheet as on 31st March, 2019.

14. What is the treatment of Bonus Issue and Dividend by Subsidiary in the consolidated Balance Sheet?

(U,
CO
3)

15. Following is a list of credit and debit balances of Olympus Ltd. as at 31st August, 2019.

Cr. Balances	Rs.	Dr. Balances	Rs.
Issued Capital: 1,000 7% Preference Shares off Rs. 100 each fully paid	1,00,000	Sundry Assets	4,79,000
1,500 Equity Shares of Rs. 100 Surplus Account each, Rs. 95 paid	1,42,500	Buildings	1,00,000
5% Debentures	2,00,000	Preliminary Expenses	43,500
Loan on Mortgage	80,000		
Bank Account	25,000		
Creditors including Rs. 55,000 for the assessed tax	75,000		
	6,22,500		6,22,500

(A,
CO
2,
CO
3)

The mortgage was secured on the Buildings and the Debentures were secured by floating charge on the 'Sundry Assets'. The debenture holders appointed a Receiver who took charge of the

'Sundry Assets' amounting to Rs. 3, 15, 000. A Liquidator was also appointed as the company went into voluntary liquidation. The Receiver realised the assets for Rs. 2, 95,000 and his costs and remuneration were Rs. 1,500 and Rs. 2,000 respectively; Rs. 90,000 were realised from Building and Rs. 1,45,000 from the sale of the remaining 'Sundry Assets'. The Bank had the Guarantees of the Directors amounting to Rs. 22,000 which was duly honoured by them. The costs of liquidation were Rs. 3,000 and the Liquidator's remuneration amounted to Rs. 1,250. Prepare the Accounts of the Receiver and the Liquidator.

16. Give some measures to put an end to the growing frauds and scams for the successful implementation of forensic accounting. (A, CO 6)
17. A enters into a contract with B Ltd to under write its 5,000 shares of Rs. 10 each in consideration of 5% commission. He also enters into an agreement with C to sub-underwrite 1,000 shares of B Ltd at a commission of 3%. The public subscribes for 2,000 shares only and subsequently the shares were taken up by A, who sold his shares @ Rs.9 per share. The shares taken up by C were sold @ Rs.10 per share. Expenses of underwriting amounts to Rs.600. Prepare underwriting account in the books of A. (A, CO 4)
18. Teja arrives at a Highway Resort Hotel at 2.00 P.M. on 15th July, 2019 and a room is let out to him on European Plan @1,000 for every night spent plus 10% service charge. Calculate the amount payable by him in each of the following situations:
- a) if he checks out at 7 p.m. on 15th July, 2019;
 - b) if he checks out at 8 p.m. on 16th July, 2019;
 - c) if he checks out at 6 p.m. on 16th July, 2019; and
 - d) if he checks out at 10 p.m. on 17th July, 2019.

and

The Sartaj hotel has 179 rooms in all, out of which 15 rooms are used for operational purposes and 4 rooms are occupied by the general manager and the departmental managers. If 136 rooms are occupied by the guest on 24 May, 2012 calculate the room occupancy rate for the day.

(2 x 6 = 12)

PART C

Answer any 2 questions

Weights: 5

19. Great India Shipping Co. Ltd. of Mumbai acquired a new ship M.V. Samudra at a cost of Rs.37,50,000. The ship was ready for service on 1st April 2019. An insurance policy was taken out a 2% p.a. on the ship, freight was insured at Rs.10,000 per annum. During 3 months ended 30th June, 2019, the ship completed **one round trip** to Kolkata and was **half through the second trip (single way) to Kolkata**.

The ship carried the following cargo : To Kolkata 9,000 tons @300 per ton; From Kolkata 10,000 tons @ Rs.270 per ton; To Kolkata 12,000 tons @ Rs.250 per ton. 5% commission was paid to agents in addition to 1% address commission. The expenses were as follows:

	Rs.
Salaries and wages of the crew	8,00,000
Fuel	4,00,000
Sundry stores	80,000
Port dues (Mumbai Rs.70,000, Kolkata Rs.50,000)	1,20,000
Stevedoring at Rs.20 per ton	6,20,000
Share of overheads for the ship for the period	2,50,000

Provide depreciation for the period at 5% per annum. Prepare Voyage Account for the period of three months ending 30th June, 2019.

20. Credit and Debit balances taken from the books of Bubble Ltd. as on 31/12/2019 were as follows: (A, CO 2, CO 3)

Credit balances		Debit balances	
Share Capital:		Land and Building	25,000
8,000 preference shares of Rs.10 each	80,000	Other Fixed assets	2,00,000
12,000 equity shares of Rs.10 each	1,20,000	Stock	5,25,000
Bank loan	4,00,000	Debtors	1,00,000
8% debentures	1,00,000	Surplus a/c (negative balance)	58,000
Interest outstanding on debentures	8,000		
Creditors	2,00,000		
	9,08,000		9,08,000

The company went into liquidation on that date. Prepare Liquidator's statement of account after taking into account the following:

- (1) Liquidation expenses and liquidator's remuneration amounted to Rs.3,000 and Rs.10,000 respectively.
- (2) Bank loan was secured by pledge of stock.
- (3) Debentures and interest thereon are secured by a floating charge on all assets.

Fixed Assets were realised at book values and current assets at 80% of book values.

21. The following are the Balance Sheets of H Lid, and its subsidiary S Lid. as on 31st March, 2017. (A)

Balance Sheet
as on 31 March 2017

	H. Ltd	S. Ltd
I. Equity and liabilities		
(1)share holder's fund		
(a) share capital:		
Shares of Rs. 10 each fully paid	2,00,000	1,00,000
(b) Reserves and surplus :		
(i)general reserve	10,000	20,000
(ii) Profit and Loss Account	30,000	
(2) current liabilities		
Trade Creditors	3,30,000	2,50,000
Total	5,70,000	3,70,000
II. Assets		
(1) non current assets		
(a) fixed assets :		
Land and Buildings	2,60,000	1,50,000
(b) investment in shares of S. Ltd at cost	1,10,000	
(2) current assets		
(a) stock	1,20,000	80,000
(b) debtors	100,000	50,000
(c) cash	80000	40000
Miscellaneous expense:		
Profit and loss account		60,000
Preliminary expenses		30,000
Discount on issue of shares		10,000
Total	5,70,000	3,70,000

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 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.**

22. City Electricity Ltd. earned profit of Rs 8, 45,000 during the year ended 31st march 2004 after debenture interest @7.5 %on Rs2, 50,000. With the help of the figures given below, show the disposal of profit:

	Rs
Original cost of fixed assets	1,00,00,000
Formation and other expenses	5,00,000
Monthly average of current assets(net)	25,00,000
Reserve fund(represented by 4% Govt. securities)	10,00,000
Contingencies reserve fund investment	2,50,000
Loan from electricity board	15,00,000
Total depreciation written off to date	20,00,000
Tariff and dividend control reserve	50,000
Security deposits received from customers	2,00,000
Assume bank rate to be 6%	

(A,
CO
3)

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 2	Critical thinking and selection of different methods of valuation based on situation will help in the development of overall personality and problem solving capacity	An	4, 10, 13, 15, 20	11
CO 3	Students are able to prepare consolidated financial statements of group companies. Study of double accounting followed by Public Utility Undertakings, leads to better citizenship.	A	2, 4, 5, 6, 9, 10, 13, 14, 15, 20, 22	22
CO 4	Study of Hotel Accounting, Hospital Accounting, Underwriter's accounting and Accounting of shipping will contribute towards sustainable development and inclusive growth	A	17, 18, 19	9
CO 5	Green accounting, which considering impact of business activities in the natural resources enabling students to contribute towards sustainable development and environment friendliness.	U	12	2
CO 6	Study of recent developments in Accounting like Green accounting, Artificial intelligence in Accounting, Forensic Accounting gives better career opportunities	U	8, 12, 16	5

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;