

Total No. of Questions : 4]

SEAT No. :

P6474

[Total No. of Pages : 4

[5801]-502

T.Y.B.Com.

352 : ADVANCED ACCOUNTING - I

(2019 Pattern) (Semester - V)

Time : 3 Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) *Q1 is compulsory.*
- 2) *Solve any 2 Questions from remaining Q. No. 2, 3 and 4.*

Q1) A) Fill in the blanks (Any five out of 7). [5]

- a) When new shares are being issued _____ account is credited.
 - i) Share Premium
 - ii) Share Capital
 - iii) Share reduction
 - iv) Share investment
- b) Ex-interest basis means the purchase price of securities _____ interest.
 - i) rolls
 - ii) excludes
 - iii) takeover
 - iv) outstanding
- c) AS 3 deals with _____.
 - i) Construction Contracts
 - ii) Disclosures
 - iii) Cash flow Statement
 - iv) Employee Benefits
- d) Internal Reconstruction means that the scheme will be carried out by means of _____ of capital.
 - i) issue
 - ii) rise
 - iii) increase
 - iv) reduction
- e) Converting share of smaller denomination into larger denominations is called _____.
 - i) Surrender
 - ii) Face value
 - iii) Consolidation
 - iv) Market value
- f) Capital Reserve is written in _____ schedule number as per Banking Company Accounts.
 - i) 2
 - ii) 1
 - iii) 3
 - iv) 5
- g) Brokerage is added to the _____ price.
 - i) sale
 - ii) income
 - iii) expense
 - iv) purchase

P.T.O.

- B) True or False (Any five out of 7). [5]
- Investment account is a real account.
 - Equity shares are long-term financing sources for any company.
 - Debentures are commonly known as preferred stocks.
 - Securities can be purchased at par, premium and at discount.
 - Fixed Assets include Stock.
 - The commission paid to the broker is known as Brokerage.
 - Bonus shares are issued to creditors only.
- C) Match the following. [5]
- Cost of bonus share - Schedule no. 7
 - Rent paid - Statutory audit
 - Financial accounting statements - Surrender of shares
 - Voluntary return of shares - Schedule no. 16
 - Money at call and short notice - Nil
- D) Short Notes (Any three out of six) [15]
- Introduction to IFRS
 - Capital Restructuring
 - Classification of Investments
 - Introduction to AS- 3
 - Introduction of Banking Company
 - Carrying cost of Investment

Q2) The following is the Balance Sheet of Citco Ltd. as on 31st March 2021. [20]

Balance Sheet as on 31st March 2021

Liabilities	Amt	Assets	Amt
Share Capital 2000, 5%		Goodwill	15,000
Cumulative Preference Shares of Rs. 100 each	2,00,000	Freehold Property	2,00,000
4000 Equity shares of Rs. 100 each	4,00,000	Plant & Machinery	3,00,000
6% Mortgage Debenture	1,00,000	Stock	50,000
Bank overdraft	50,000	Debtors	40,000
Creditors	1,00,000	Profit & Loss	2,40,000
		Cash at bank	5,000
Total	8,50,000	Total	8,50,000

The following scheme of reconstruction was duly approved by the court

- 5 % Cumulative Preference Shares to be reduced to Rs.75 per share fully paid up and Equity Shares to Rs.40 fully paid-up
- Debenture holders took over the Stock in trade and the Book debts in full satisfaction of the amount due to them
- The Goodwill Account to be eliminated
- The Freehold Property to be increased by 30 %
- The value of Plant and Machinery to be depreciated by $33\frac{1}{3}$ %.
- The expenses of Reconstruction amounted to Rs. 3000

Pass journal entries to record the above scheme of reconstruction in the books of Citco Ltd. and a revised Balance Sheet as on 31st March 2021.

Q3) The following is the trial balance of Dhanvikas Bank Ltd., Dharangaon as on 31st March 2022. **[20]**

Particulars	Debit	Credit
Subscribed Capital: 50,000 equity shares of Rs. 10 each fully paid		5,00,000
Reserve fund		2,50,000
Loans, Cash Credits and Overdrafts	2,85,000	
Premises	50,000	
India Govt. Securities	4,00,000	
Current deposits		1,00,000
Fixed deposits		1,25,000
Savings Bank Deposits		1,50,000
Salaries	28,000	
General expenses	27,400	
Rent, Rates and taxes	2,300	
Directors fees	1,800	
Profit and loss account as on 1 st April 2021		16,000
Interest and discount		1,28,000
Stock of Stationery	8,500	
Bills purchased and discounted	46,000	
Interim dividend paid	17,000	
Recurring deposits		20,000
Shares	1,50,000	
Cash in hand and with RBI	1,93,000	
Money at call and Short notice	80,000	
Total	12,89,000	12,89,000

The following information should be considered:

- a) Provision for bad and doubtful debts is required to be made at Rs. 5,000
- b) Interest accrued on investment was Rs. 8,000
- c) Unexpired discount (rebate on bills discounted) amounted to 380
- d) Interim dividend declared was 4% actual
- e) Endorsements made on behalf of customers totaled Rs. 1,15,000
- f) Authorised capital was 80,000 Equity shares of 10 each
- g) Rs. 10,000 were added to Premises during the year, Depreciation @ 5% on the opening balance is required
- h) Market value of Indian Govt. securities was 3,90,000

Prepare Profit and Loss account for the year ending 31st March 2022 and Balance Sheet as at that date in the prescribed form.

Q4) On 1st January 2019, ITC Finance Co. Ltd. bought Rs. 4,000 6 % Government Bonds at 90, the cheque of Rs. 3,680 paid being Rs. 3,600 for the securities and Rs.80 for the brokerage charges. Interest is receivable each year on 30th June and 31st December.

On 1st February 2019, Rs. 1,000 nominal value of securities is sold cum-interest the net proceeds being Rs. 950. On 1st June 2019, Rs. 2,000 nominal value of securities sold Ex-interest net proceeds after brokerage being Rs. 1710.

On 1st February 2020, Rs. 5,000 nominal value of securities bought cum-interest cost including brokerage being Rs. 4370. On 1st June 2020, Rs. 1,000 nominal value of securities bought Ex-interest cost including brokerage being Rs. 910.

Write Investment account for the years 2019 and 2020.

[20]

