

Total No. of Questions : 4]

SEAT No. :

PA-1825

[Total No. of Pages : 5

[5952]-502

T.Y. B. Com

ADVANCED ACCOUNTANCY - I

(2019 Pattern) (Semester - V) (352)

Time : 2½ 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]

- i) When new shares are being issued _____ account is credited
 - a) Share Premium
 - b) Share Capital
 - c) Share reduction
 - d) Share investment
- ii) Ex-interest basis means the purchase price of securities _____ interest
 - a) Rolls
 - b) excludes
 - c) takeover
 - d) outstanding
- iii) AS 3 deals with _____
 - a) Construction Contracts
 - b) Disclosures
 - c) Cash flow Statement
 - d) Employee Benefits
- iv) Internal Reconstruction means that the scheme will be carried out by means of _____ of capital
 - a) Issue
 - b) rise
 - c) increase
 - d) reduction
- v) Converting share of smaller denomination into larger denominations is called
 - a) Surrender
 - b) face value
 - c) Consolidation
 - d) Market value

P.T.O.

- vi) Capital Reserve is written in _____ schedule number as per Banking Company Accounts
- | | |
|------|------|
| a) 2 | b) 1 |
| c) 3 | d) 5 |
- vii) Brokerage is added to the _____ price
- | | |
|------------|-------------|
| a) Sale | b) Income |
| c) expense | d) Purchase |

B) True of False (Any five out of 7) [5]

- i) Investment account is a real account. True
- ii) Equity shares are long-term financing sources for any company. True
- iii) Debentures are commonly known as preferred stocks. False
- iv) Securities can be purchased at par, premium and at discount. True
- v) Fixed Assets include Stock. False
- vi) The commission paid to the broker is known as Brokerage. True
- vii) Bonus shares are issued to creditors only. False

C) Match the following : [5]

- | | |
|--------------------------------------|-----------------------|
| i) Cost of bonus share | - Schedule no 7 |
| ii) Rent paid | - Statutory audit |
| iii) Financial accounting statements | - Surrender of shares |
| iv) Voluntary return of shares | - Schedule no 16 |
| v) Money at call and short notice | - Nil |

D) Short Notes (Any three out of six) [15]

- i) Introduction to IFRS
- ii) Capital Restructuring
- iii) Classification of Investments
- iv) Introduction to AS- 3
- v) Introduction of Banking Company
- vi) Carrying Cost of Investment

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

Liabilities	Amt	Assets	Amt
Share Capital :		Freehold Property	2375000
i) 15000, 7% Preference Share of Rs. 100 each	1500000	Plant and Machinery	800000
ii) 275000 Equity Shares of Rs. 10 each	2750000	Goodwill	300000
Share Premium	400000	Stock	350000
Sundry Creditors	400000	Debtors	225000
		Preliminary Expense	250000
		Profit and Loss	750000
	5050000		5050000

The following scheme of reconstruction was approved and duly sanctioned

- i) Preference share to be reduced to Rs.80 per share
- ii) Equity shares to be reduced to Rs.5 per share
- iii) Write off all intangible assets and share premium account
- iv) Freehold property to be written down to Rs. 1850000

Give necessary journal entries to record the above transactions in the books of Z Ltd. Also prepare a revised Balance Sheet after the scheme of reconstruction 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 full 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:

- i) Provision for bad and doubtful debts is required to be made at Rs. 5,000
- ii) Interest accrued on investment was Rs. 8,000
- iii) Unexpired discount (rebate on bills discounted) amounted to 380
- iv) Interim dividend declared was 4% actual
- v) Endorsements made on behalf of customers totaled Rs 1,15,000
- vi) Authorised capital was 80,000 Equity shares of 10 each
- vii) Rs10,000 were added to Premises during the year, Depreciation @5% on the opening balance is required
- viii) 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.4000 6% Government Bonds at 90, the cheque of Rs.3680 paid being Rs.3600 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.1000 nominal value of securities is sold cum-interest the net proceeds being Rs.950. On 1st June 2019, Rs.2000 nominal value of securities sold Ex-interest net proceeds after brokerage being Rs.1710.

On 1st February 2020, Rs.5000 nominal value of securities bought Cum-interest cost including brokerage being Rs.4370. On 1st June 2020, Rs.1000 nominal value of securities bought Ex-interest cost including brokerage being Rs.910

Write Investment account for the years 2019 and 2020.

[20]



Total No. of Questions: 4]

SEAT No. :

PA-2707

[5952]-502A

[Total No. of Pages : 4

T.Y.B. Com.

**352 : ADVANCED ACCOUNTING-I
(2019 Pattern) (Semester-V)**

Time : 2½ 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]

- i) Cash flow statement exhibits the flow of _____ and outgoing of cash
 - a) Incoming
 - b) reversal
 - c) funds
 - d) operating
- ii) Government Grants as per As-12, is to be accounted for on _____ basis
 - a) Cash
 - b) investment
 - c) accrual
 - d) vertical
- iii) Indian Accounting Standards are formulated on the basis of _____
 - a) ICMA
 - b) ICMS
 - c) ICSI
 - d) IFRS
- iv) Under the _____ method of valuation of closing investment it is assumed that the investment purchased first are sold first.
 - a) LIFO
 - b) FIFO
 - c) Simple Average
 - d) Weighted Average
- v) In the Balance Sheet of a Banking Company, investment in Silver is shown on the asset side under the heading _____
 - a) Other assets
 - b) Virtual assets
 - c) Current assets
 - d) Fixed assets
- vi) Ex-interest basis means the purchase price of securities _____ interest
 - a) Excludes
 - b) includes
 - c) outgoing
 - d) incoming
- vii) The expenses incurred on sale of investments are to be _____ from the sale price of investment.
 - a) merged
 - b) incurred
 - c) shared
 - d) deducted

- B) True or False (Any five out of 7) [5]
- Carrying Costs refers to the costs associated with the carrying value of investments.
 - Investments are treated as real accounts
 - Interest is calculated on the face value of investment
 - A security is said to be at discount when acquired or sold at a price more than its face value
 - As per AS-3, increase in fixed asset will be net of interest capitalized
 - Capital restructuring is a corporate operation aimed at changing the ratio of equity and debt firms Capital structure.
 - Banking Companies in India are governed by Banking Regulation Act, 1949
- C) Match the following. [5]
- | | |
|--------------------------|--------------------------------------|
| i) Income on Investments | a) Bonus shares |
| ii) Other expenditure | b) Purchase/Sale price of Securities |
| iii) Free of Cost Shares | c) Schedule no. 16 |
| iv) Statutory Audit | d) Schedule no. 13 |
| v) Market price | e) Financial accounting statements |
- D) Short Notes (Any three out of five) [15]
- Explain IFRS
 - Meaning of Capital Restructuring
 - Classification of Investments
 - Carrying Cost of Investments
 - Banking Company Accounts

Q2) The following was the Balance Sheet of Z Ltd., as on 31st March 2021 [20]
Balance Sheet as on 31st March 2021

Liabilities	Amt	Assets	Amt
Share Capital:		Freehold Property	23,75,000
1) 15,000, 7% Preference Share of Rs. 100 each	15,00,000	Plant and Machinery	8,00,000
2) 2,75,000 Equity Shares of Rs.10 each	27,50,000	Goodwill	3,00,000
Share Premium	4,00,000	Stock	3,50,000
Sundry Creditors	4,00,000	Debtors	2,25,000
		Preliminary Expense	2,50,000
		Profit and Loss	7,50,000
	50,50,000		50,50,000

The following scheme of reconstruction was approved and duly sanctioned

- i) Preference share to be reduced to Rs. 80 per share
- ii) Equity shares to be reduced to Rs. 5 per share
- iii) Write off all intangible assets and share premium account
- iv) Freehold property to be written down to Rs. 18,50,000 Give necessary journal entries to record the above transactions in the books of Z Ltd. Also prepare a revised Balance Sheet after the scheme of reconstruction as on 31st March 2021

Q3) Following is the Trial Balance of Vidya Bank as on 31st March 2021 [20]

Trial Balance as on 31st March 2021

Particulars:	Debit	Credit
Premises Less depreciation	1,85,000	
Money at Call and Short Notice	2,15,000	
Furniture Less depreciation	30,000	
Depreciation on Banks Assets	11,000	
Non Banking Assets Acquired in Settlement of Claims	20,000	
Cash in Hand	3,00,000	
Cash at Banks	2,50,000	
Investments	3,50,000	
Loans, Cash Credit and Overheads	12,65,000	
Interest, on Deposits and Borrowings	2,00,000	
Audit Fees	4,500	
Salaries and Allowances to Staff	40,500	
Directors Fees	4,000	
Postage and Telegrams	1,350	
Printing and Stationery	3,700	
Other Expenditure	2,450	
Interest and Discounts		3,67,500
Share Capital		
Authorised 7,500 Equity Share at Rs. 100 each		-
Issued and Subscribed 6000 Equity shares of Rs. 100 each fully paid		6,00,000

Statutory Reserve		1,20,000
Deposits		12,50,000
Provident Fund		1,35,000
Borrowings from Maharaja Bank		2,55,000
Unclaimed Dividend		4,000
Commission and Exchange		37,500
Profit on Sale of Non Banking Assets		1,200
Profit & Loss Account as on 1st April 2020		1,12,300
Total	28,82,500	28,82,500

Adjustments:

- Provide Rs. 10,000 for Bad and Doubtful Debts
 - Bills for collection amounted to Rs. 1,05,000
 - Acceptances, Endorsements and other Obligations amounted to Rs. 52,000
 - Provide Rs. 1,500 for Rebate on Bills discounted
 - Provide Rs. 10,500 for taxation
 - Postage stamps of Rs. 160 and Stationery of Rs. 700 was in hand on 31st March 2021
 - Transfer 25% of profit to statutory reserve
- Prepare Profit & Loss Account for the year ended 31st March 2021 and the Balance sheet as on that date as per Banking Regulation Act. 1949

Q4) X Finance Company Ltd., submits the following detail regarding one of their 12% Investment for the year 2020-2021. Opening Balance on 01/04/2020 face value Rs. 60,000 at Rs. 56,000. The following purchase and sales were made out of these investments during the year ended on 31/03/2022. [20]

Purchases on.

- 01/08/2020 Face value Rs. 10,000 at Rs. 101 Cum-interest.
- 01/11/2020 Face value Rs. 15,000 at Rs. 103 Ex-interest.

Sales on-

- 01/09/2020 Face value Rs. 10,000 at Rs. 104 cum-interest
- 01/02/2021 Face value Rs. 20,000 at Rs. 103 ex-interest

The interest is payable on 1st January and 1st July every year. Write up Investment Account as on 31/03/2021. Investments on 31/03/2021 are to be valued at cost by First-in-first out method.

