

[6142]-502

T.Y. B.Com.

352 : ADVANCED ACCOUNTING - I

(2019 Pattern) (Semester - V)

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates :

- 1) Question No. 1. is compulsory.
- 2) Solve any 2 Questions from the remaining Questions i.e. Q. No. 2,3 and 4.
- 3) Use of a simple Calculator is allowed.
- 4) Figures to the right indicate full marks.

Q1) A) Fill in the blanks (Any five) :

[5]

- i) _____ is a financial statement which summarizes the sources and applications of funds of enterprises for a given period.
 - a) Fund Flow Statement
 - b) Trading Account
 - c) Profit and Loss Account
 - d) Balance Sheet
- ii) AS-19 deals with _____.
 - a) Leases
 - b) Government Grants
 - c) C.F.S.
 - d) F.F.S.
- iii) Purchase of securities on Ex-interest basis means the price _____ interest.
 - a) Includes
 - b) Excludes
 - c) Adds
 - d) Outstanding
- iv) Interest and brokerage are to be calculated on _____ of investments.
 - a) Interest
 - b) Face value
 - c) Cost
 - d) Market value

P.T.O.

v) In the Balance sheet of a Banking company, investment in Silver is shown on the asset side under the heading _____.

- a) Advances
- b) Other asset
- c) Operating expenses
- d) Investment

vi) The primary objective of _____ is to eliminate the accumulated losses from the books and to bring down the assets to their true values.

- a) External Reconstruction
- b) Internal Reconstruction
- c) Amalgamation
- d) Absorption

vii) Every Banking company prepares a Balance sheet and Profit and Loss Account as on _____ each year.

- a) 30th June
- b) 31st December
- c) 31st March
- d) 1st January

B) True or False (Any five) :

- i) Accounting Standards in India are issued by the Institute of Cost Accountants of India.
- ii) As per AS-3 deals with Cash Flow Statements.
- iii) The conversion of a Debt to Equity is a non—cash transaction.
- iv) Bonus shares are issued to creditors.
- v) Debentures are commonly known as preferred stocks.
- vi) An asset becomes non-performing when it ceases to generate income for a Bank.
- vii) Banking Companies in India are governed by Company Act 2013

C) Match the following :

- i) IFRS
- ii) AS-12
- iii) Gold

- iv) Accounting Standards in India
- v) Capital restructuring

- a) ASB
- b) Investments
- c) Internal Reconstruction
- d) Government Grants
- e) IASB

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

- i) Cum Interest and Ex Interest under Investment Accounting
- ii) Cash Flow Statement
- iii) Need of Internal Reconstruction
- iv) Contingent Liability
- v) AS-19

22) The following is the Balance Sheet of Ayudeeps Ltd. Chennai as on 31st March, 2023 [20]

Balance Sheet as on 31st March, 2023

Liabilities	₹	Assets	₹
Share Capital		Goodwill	20,000
• 25,000 Preference Shares of ₹ 10 each	2,50,000	Leasehold Premises	1,07,000
• 25,000 Equity Shares of ₹ 10 each	2,50,000	Plant and Machinery	60,000
Sundry Creditors	40,000	Patent	1,73,900
Bank Overdraft	36,000	Preliminary Expenses	2,000
		Stock	34,000
		Sundry Debtors	56,000
		Cash	100
		Profit and Loss	1,23,000
Total	5,76,000		5,76,000

The company proved unsuccessful and resolutions were passed to carry out the following scheme of reduction of capital -

- a) Preference Shares be reduced to fully paid shares of ₹ 3 each.
- b) Equity Shares be reduced to fully paid shares of ₹ 2.50 each
- c) Sundry Creditors total claims be reduced by ₹ 15,000
- d) Goodwill Account, Patents, Preliminary Expenses, and Profit and Loss Account to be completely written off.
- e) Leasehold Premises to be written off by ₹ 27,000.
- f) Stock to be written-off by ₹ 14,000.
- g) ₹ 5,600 is to be reserved for doubtful debts.
- h) Plant and Machinery to be written off by 20%

Pass the necessary journal entries, prepare the Capital Reduction Account and the revised Balance Sheet as on 31st March 2023.

Q3) Following is the Trial Balance of Deepa Bank Ltd., Nasik as on 31st March 2023. [20]

Trial Balance as on 31 st March, 2023.		
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 Bank's 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 Overdrafts	12,65,000	-
Interest on Deposits and Borrowings	2,00,000	-
Audit Fees	4,500	-
Salaries and Allowances to Staff	40,500	-
Director's Fees	4,000	-
Postage and Telegrams	1,350	-
Printing and Stationery	3,700	-
Other Expenditure	2,450	-
Interest and Discount	-	3,67,500
Share Capital :		
Authorized: 7,500 Equity Shares of ₹ 100 each		6,00,000
Issued and Subscribed 6,000 Equity Shares of ₹ 100 each fully paid		1,20,000
Statutory Reserve		12,50,000
Deposits		1,35,000
Provident Funds		2,55,000
Borrowings from Maharaja Bank Ltd		4,000
Unclaimed Dividend.		37,500
Commission and Exchange		1,200
Profit on Sale of Non-Banking Assets		1,12,300
Profit and Loss Account as on 1 st April 2022		-
Total	28,82,500	28,82,500

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Adjustments :

- i) Provide ₹ 10,000 for Bad and Doubtful Debts.
- ii) Acceptances, Endorsements and Other obligations amounted to ₹ 52,000.
- iii) Provide ₹ 1,500 for Rebate on Bills discounted.
- iv) Provide ₹ 10,500 for taxation.
- v) Postage stamps of ₹ 160 and Stationery of ₹ 700 were in hand on 31st March, 2023.
- vi) Transfer 25% of the current year's profit to statutory reserve.

Prepare Profit and Loss Account for the year ended 31st March 2023 and the Balance Sheet as on that date as per the Banking Regulation Act, 1949.

Q4) Mansvi Investors Company Ltd, Nashik submits the following details regarding their investment in 6% Debentures for the year 2022-23. [20]

Opening balance on 1st April 2022, face value Rs. 3,00,000/- at Rs. 2,80,000/- . The following purchases and sales were made out of these investments during the year ended 31st March 2023.

Purchases :

- a) 1st August 2022 Face value Rs. 50,000/- at Rs. 101 cum interest.
- b) 1st November 2022 Face value Rs. 75,000/- at Rs. 103 ex interest.

Sales :

- a) 1st September 2022 Face value Rs. 50,000/- at Rs. 104 cum interest.
- b) 1st February 2023 Face value Rs. 1,00,000/- at Rs. 103 ex interest. The interest is payable on 1st January and 1st July every year.

Write up Investment Account as on 31st March 2023. Investments on 31st March 2023 are to be valued at cost as per First-in-First out method.

