

Total No. of Questions : 4]

SEAT No. :

**PC1037**

[Total No. of Pages : 5

**[6315]-302**

**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 two 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]**

- a) IFRS stands for \_\_\_\_\_.
  - i) Indian Financial Recording Standards
  - ii) International Financial Reporting Standards
  - iii) International Funded Reporting Standards
  - iv) International Financial Recording Standards
- b) Any balance left out in capital reduction account will be transferred to \_\_\_\_\_ Account.
  - i) Capital Reduction
  - ii) Capital Reserve
  - iii) Profit & Loss
  - iv) Share Capital
- c) When assets ceases generating income from it, bank treats the asset as \_\_\_\_\_.
  - i) Banking Assets
  - ii) Banking Reserve
  - iii) Non-performing Assets
  - iv) Share Capital A/c
- d) Under the \_\_\_\_\_ method of valuation of closing investment, it is assumed that the investments purchased first are sold first.
  - i) Average Method
  - ii) Market price
  - iii) LIFO
  - iv) FIFO
- e) Interest and brokerage are to be calculated on the \_\_\_\_\_ of investments.
  - i) Face Value
  - ii) Market Value
  - iii) Average Value
  - iv) Weighted Average Value

**P.T.O.**

B) True or False (Any Five). [5]

- a) The objective of Accounting Standards is to harmonize different management policies.
- b) In Ex-interest transactions, the value of interest is deducted from the Cost Price of investment.
- c) Banking Companies in India are governed by Banking Regulation Act, 1949.
- d) Acceptances, Endorsements and other obligations are recorded in Schedule 12 of bank final account.
- e) Investment is treated as real account even though they are not physical assets.
- f) When Equity share capital is reduced, Capital Reduction Account is debited.
- g) Accounting Standards in India are issued by the International Accounting Standard Board.

C) Match the following. [5]

'A' Group	'B' Group
a) Capital Reduction Account	i) Interest only recorded not deducted
b) Ex-Interest	ii) 1949
c) Bonus Shares	iii) Equity Share holders
d) Banking Regulation Act	iv) Other Assets
e) Stock of Stamps	v) Internal Reconstruction

D) Short Notes (Any Three) [15]

- a) Types of Restructuring
- b) NPA & its provisions
- c) Types of Leases
- d) Difference between Cum Interest and Ex-Interest
- e) Cashflow from Operating, Investing & Financing Activities

**Q2)** The following is the Balance Sheet of Om Ltd., Malad, as on 31<sup>st</sup> March 2023. [20]

Balance Sheet as on 31<sup>st</sup> March, 2023

Liabilities	Amount in ₹	Assets	Amount in ₹
Share Capital :		Good will	60,000
<u>Issued and Subscribed Capital :</u>	-	Buildings	1,50,000
a) 4,000 Equity Shares of ₹100 each, fully paid	4,00,000	Machinery	3,00,000
		Patents	30,000
b) 3,000, 7% Preference Shares of ₹ 100 each, fully paid	3,00,000	Stock	2,20,000
		Debtors	1,50,000
Profits Prior to Incorporation	10,000	Cash	5,000
6% Debentures	3,00,000	Preliminary Expenses	25,000
Sundry Creditors	2,00,000	Profit and Loss	2,70,000
Total	12,10,000	Total	12,10,000

The following scheme of reconstruction was duly approved by the court.

- 7% Preference Shares to be converted into 9% Preference Shares, the amount being reduced by 30%.
- Equity Shares to be reduced to fully paid shares of ₹ 50 each.
- Buildings to be appreciated by 20%.
- Debentures to be reduced by 20%.
- All intangible assets and fictitious amounts including Patents be written off.
- Utilize, profits prior to incorporation, if necessary.

Pass journal entries to record the above scheme of reconstruction in the books of Om Ltd., Malad and Prepare a Capital Reduction A/c and revised Balance Sheet as on 31<sup>st</sup> March, 2023.

**Q3)** Following is the Trial Balance of AK Bank Ltd., Goa as on 31<sup>st</sup> March, 2023. Prepare Profit and Loss Accounts and Balance Sheet as on that date, as per the Banking Regulation Act, 1949. [20]

Trial Balance as on 31-3-2023

Particulars	Debit ₹	Particulars	Credit ₹
Loans, cash Credits & Overdrafts	12,00,000	Equity Share Capital of ₹ 100 each ₹ 50 paid up	6,00,000
Bills Discounted and Purchased	5,60,000	Profit & Loss Account as on 01-04-2022	1,60,000
Director's Fees	18,000	Current Deposit Account	13,70,000
Audit Fees	4,000	Fixed Deposit Account	15,50,000
Furniture (Cost ₹ 4,00,000)	3,48,000	Savings Bank Account	10,80,000
Printing and Stationery	16,000	Interest and Discount received	8,40,000
Rent and Taxes	34,000	Commission and Exchange	4,00,000
Salary	2,80,000	Reserve Fund	1,40,000
Buildings (Cost ₹ 10,00,000)	9,00,000	Borrowing from Krishna Bank	7,50,000
Law Charges	6,000	Branch Adjustment Account	5,10,000
Cash in Hand	78,000		
Cash with RBI	15,10,000		
Cash with other Banks	13,06,000		
Investment at Cost	5,40,000		
Interest Paid	6,00,000		
<b>Total</b>	<b>74,00,000</b>	<b>Total</b>	<b>74,00,000</b>

Following additional information is available

- Rebate on bills discounted amounted to ₹ 22,000.
- Provide depreciation on Buildings @ 12% on cost.
- Provide depreciation on Furniture @ 5% on cost.
- Provide ₹ 6,000 for Bad and Doubtfull Debts.
- Transfer 25% of the current year's profit to Statutory Reserve.

**Q4)** From the following particulars of M/s Sahani Ltd., Juhu

**[20]**

Write up 6% Government Bonds Account for the year ending on 31<sup>st</sup> December 2023.

Opening balance as on 1.1.2023 - Face Value ₹ 75,000 - Cost ₹ 73,750.

### **Purchases**

1.3.2023 - Purchased bonds worth ₹ 15,000 cum - interest at ₹ 98.

1.10.2023 - Purchased bonds worth ₹ 10,000 ex-interest at ₹ 98.

### **Sales**

1.7.2023 - Sold bonds worth ₹ 30,000, ex-interest at ₹100.

1.11.2023 - Sold bonds worth ₹ 20,000, cum - interest at ₹ 97.

Interest dates are 30<sup>th</sup> September and 31<sup>st</sup> March.

M/s Sahani Ltd., Juhu closes their books of accounts on 31<sup>st</sup> December every year. Show Investment Account.

