

M.Com. (Part-I) (NEP Pattern) Semester-I
01MCOM101 Major - Advance Financial Accounting

P. Pages : 8

Time : Three Hours



GUG/W/24/15037(S)

Max. Marks : 80

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. Define social accounting. Discuss the need and scope of social accounting. **16**

OR

Given below are the balance sheets of two companies as on 31.03.2020. **16**

Balance Sheet of A Co. Ltd.

Liabilities	Rs.	Assets	Rs.
Share capital (Shares of Rs. 10 fully paid)	7,50,000	Goodwill	75,000
Share Premium	2,250	Freehold property	2,00,000
General Reserve	50,000	Machinery	1,75,000
Profit & Loss A/c	82,825	Stock	3,41,000
8% Debentures	1,75,000	Debtors	1,29,250
Sundry creditors	28,925	Bank	1,68,750
	10,89,000		10,89,000

Balance Sheet of B Co. Ltd.

Liabilities	Rs.	Assets	Rs.
Share capital (Shares of Rs. 10 fully paid)	1,95,000	Goodwill	25,000
10% Debentures	35,000	Freehold property	90,000
Bank Overdraft	3,000	Machinery	50,000
Sundry creditors	1,28,500	Stock	81,000
		Debtors	47,500
		Profit & loss A/c	68,000
	3,61,500		3,61,500

The two companies decided to amalgamate their business as on the date of balance sheet and a new company called C Co. Ltd. Was formed with an authorised capital of Rs. 12,50,000 in shares of Rs. 10 each. The terms of amalgamation were:

A Co. Ltd.

- 6 shares of Rs. 10 each fully paid in the new company in exchange for 5 shares in A Co. Ltd. and Rs. 5,000 in cash.
- The debenture holders were to be allotted such debentures in the new company bearing interest at 7% p.a. as would bring the same amount of interest.

B Co. Ltd.

- One share of Rs. 10 each fully paid in the new company in exchange for 3 shares in B. Co. Ltd. and Rs. 2,500 in cash.
- The debenture holders would be allotted such debentures in the new company bearing interest at 7% p.a. would bring the same amount of interest.

The new company took over all the assets and liabilities of both the companies.

Calculate the purchase consideration, pass the journal entries in the books of the new company and prepare balance sheet after amalgamation.

2. Given below is the balance sheet of Rahul Cloths Ltd. as at 31st March 2020. 16

Liabilities	Rs.	Assets	Rs.
Share capital: Authorised & issued 6,000 shares of Rs. 100 each fully paid up	6,00,000	Land & Buildings	2,70,000
Profit & loss A/c	40,000	Plant & Machinery	1,00,000
Bank overdraft	10,000	Stock	3,60,000
Creditors	80,000	Sundry Debtors	1,60,000
Provision for Taxation	1,00,000		
Proposed Dividend	60,000		
	8,90,000		8,90,000

The net profits of the company, after deducting all working expenses and providing depreciation but before providing for taxation were as under:

2004 - 05	Rs. 2,00,000
2005 - 06	Rs. 2,20,000
2006 - 07	Rs. 1,80,000
2007 - 08	Rs. 2,20,000
2008 - 09	Rs. 1,70,000

On 31st March 2020, land & Buildings were valued at Rs. 2,80,000 and plant & machinery at Rs. 1,20,000. Sundry debtors on the same date included Rs. 4,000 as irrecoverable.

Having regard to the nature of the business, a 10% return on net tangible capital invested is considered reasonable.

You are required to value the company's shares cum dividend and ex-dividend your own valuation of goodwill may be based on five years purchase of the annual super profits. (the tax rate is to be assumed at 50%).

OR

Following is trading and profit and loss A/c of Khapare & Co. Ltd for the year ended 31st March 2020.

Particulars	Rs.	Particulars	Rs.
To opening stock	2,50,000	By Sales	40,00,000
To Purchases	15,00,000	By closing stock	3,50,000
To wages	8,00,000		
To Manufacturing Exp.	6,00,000		
To Gross Profit	12,00,000		
	43,50,000		43,50,000
To Commission on sale	2,40,000	By Gross profit	12,00,000
To Administrative Exp.	3,00,000		
To Advertising	1,00,000		
To selling exp (fixed)	2,00,000		
To carriage on sales	80,000		
To Net profit	2,80,000		
	12,00,000		12,00,000

The company has insured its stock for Rs. 4,00,000 and loss of profit for Rs. 8,60,000. Fire broke in the premises on 1st August 2020 and complete stock was destroyed. Business was interrupted for four months.

Following extra information is available:

- Purchases, wages and manufacturing expenses during first 4 months of 2020-21 were Rs. 5,00,000, Rs. 2,50,000 and Rs. 1,80,000 respectively.
- Sales for the same period were Rs. 12,00,000.
- Others sales figures are as follows:
From 1st April 2020 to 31 July 2020 Rs. 15,00,000
From 1st August 2019 to 30th Nov. 2019 Rs. 18,00,000
From 1st August 2020 to 30th Nov. 2020 Rs. 3,00,000

As certain the amount of claim for loss of stock as well as loss of profit. Average clause is applicable.

3. Ram Company's Balance Sheet as on 31st Dec. 2020 was as follows:

16

Liabilities	Rs.	Assets	Rs.
Share capital 15,000 shares of Rs. 10 each	1,50,000	Good will	15,500
Sundry Creditors	54,000	Land & Building	85,000
		Plant & machinery	40,000
		Stock	27,000
		Debtors	22,500
		Profit & loss A/c	14,000
	2,04,000		2,04,000

A meeting of shareholders and creditors resolved as follows:

- That the company be taken into voluntary liquidation and a new company be formed with a nominal capital of Rs. 2,00,000 divided into shares of Rs. 10 each to take over Ram Company.
- That the item of Goodwill be written off and machinery be valued at 20% less in the books of the new company.
- That 15,000 shares of Rs. 10 each be issued to the share holders in Ram Company at Rs. 7.50 per share paid up. The shareholders to pay the balance of Rs. 2.50 per share in cash.
- The creditors of the company to be satisfied by the payment to them of half the amount in cash and by the issue of 6% debentures as to the other half.

Show the journal entries in the books of Ram Company and the opening entries in the books of new purchasing company and prepare the opening balance sheet of new company.

OR

A company was incorporated on 1st August 2020 to take over a business from the preceding 1st April. The accounts were made upto 31st March 2021 as usual and the profit and loss Account gave the following results.

Particulars	Rs.	Particulars	Rs.
To Rent Tax & Insurance	18,000	By Gross profit	3,00,000
To directors fees	20,000		
To Salaries	51,000		
To office exp.	48,000		
To Traveller's commission	12,000		
To Discounts	15,000		
To Bad Debts	3,000		
To Audit fees	8,500		
To Depreciation	6,000		
To Debentures Interest	4,500		
To Net profit	1,14,000		
	3,00,000		3,00,000

The sales of the above period was Rs. 12,00,000.

It is ascertained that the sales for February and March 2021 was one and half times the average of the year, while those for May and July was only half of the average.

Apportion the years profit between pre and post incorporation period.

4. Prepare consolidated balance sheet from the following balance sheets and given information of H Co. and Balance sheets as on 31.03.2020. 16

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)	Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Preference share capital	1,00,000	40,000	Goodwill	20,000	10,000
Equity share capital (Rs. 100 per share)	11,00,000	2,00,000	Machinery	6,00,000	1,80,000
Reserves	4,00,000	1,50,000	Furniture	1,00,000	34,000
Profit & loss A/c	2,00,000	50,000	Investments 1600 shares in S Co.	3,20,000	--
Creditors	3,00,000	1,00,000	Other Assets	10,60,000	3,46,000
Proposed Dividend	--	40,000	Discount on Issue of shares	--	10,000
	21,00,000	5,80,000		21,00,000	5,80,000

Information:

- On the date of acquisition of shares by H Co. Ltd. Reserve and profit & loss A/c of S Co. Ltd. stood at Rs. 50,000 and Rs. 30,000 respectively.
- Machinery (Book value Rs. 2,00,000) of S Co. was revalued at Rs. 3,00,000 by H Co. Ltd.
- Furniture (Book value Rs. 40,000) of S Co. was revalued at Rs. 30,000 by H Co. Ltd.
- S Co. Ltd. made a bonus issue during the year out of pre acquisition profits for Rs. 40,000 not recorded in the books.

- v) Included in the creditors of S Co. Ltd. is Rs. 20,000 for goods supplied by H Co. Ltd. Also included in the stock of S Ltd. are goods to the value of Rs. 8,000 supplied by H Co. Ltd. at a profit of 25% on sales.

OR

Following are the balance sheets of X Ltd. and Y Ltd. as at 31st December 2020.

Liabilities	X Ltd. (Rs.)	Y Ltd. (Rs.)	Assets	X Ltd. (Rs.)	Y Ltd. (Rs.)
Share capital: Shares of Rs. 100 each	15,00,000	6,00,000	Goodwill	1,20,000	90,000
General Reserve on 1.1.2020	3,00,000	1,80,000	Land & Building	6,00,000	3,90,000
Profit & loss A/c	4,20,000	2,70,000	Plant & Machinery	4,80,000	2,70,000
Bills payable	--	1,20,000	Stock in Trade	3,00,000	2,70,000
Due to Y Ltd.	9,000	--	Due from X Ltd.	--	15,000
Creditors	2,31,000	1,50,000	Debtors	60,000	2,25,000
			4,500 shares in Y Ltd. at cost	7,20,000	--
			Cash at Bank	1,80,000	60,000
	24,60,000	13,20,000		24,60,000	13,20,000

Additional Information:

- The Profit & Loss account of Y Ltd. showed a balance of Rs. 1,50,000 on 1st January 2020. A dividend of 15% was paid in October 2020 for the 2019. This dividend was credited to profit & loss account by X Ltd. X Ltd. acquired the shares in Y Ltd. On 1st July 2020.
- The Bills payable by Y Ltd. were all issued in favour of X Ltd. Which company got the bills discounted.
- The creditors of Y Ltd. included Rs. 60,000 for goods supplied by X Ltd.
- Included in the stock of Y Ltd. are goods to the value of Rs. 24,000 which are supplied by X Ltd. at a profit of $33\frac{1}{3}\%$ on cost.
- At the date of acquisition of shares, plant and machinery standing at Rs. 3,00,000 in Y Ltd's books were revalued at Rs. 4,50,000 but no adjustment was made in the books.
- X Ltd. remitted Rs. 6,000 on December 30, 2020 but it was received by Y Ltd on 4th January 2021.

You are required to draw up a consolidated balance sheet of X Ltd. and its subsidiary Y Ltd.

5. Write a short note:

- | | |
|--|----------|
| a) Write the difference between amalgamation and absorption. | 4 |
| b) Need for the valuation of Goodwill of the company. | 4 |
| c) Alteration of share capital. | 4 |
| d) Bills of exchange. | 4 |

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- सुचना :- 1. सर्व प्रश्न सोडविणे आवश्यक आहे.
2. सर्व प्रश्नांना समान गुण आहे.

- | | | |
|----|---|----|
| 1. | सामाजिक लेखांकन परिभाषित करा. सामाजिक लेखांकनाची गरज व व्याप्ती याबाबत चर्चा करा. | 16 |
| | किंवा | |
| | इंग्रजी माध्यमाप्रमाणे. | |
| 2. | इंग्रजी माध्यमाप्रमाणे. | 16 |
| | किंवा | |
| | इंग्रजी माध्यमाप्रमाणे. | |
| 3. | इंग्रजी माध्यमाप्रमाणे. | 16 |
| | किंवा | |
| | इंग्रजी माध्यमाप्रमाणे. | |
| 4. | इंग्रजी माध्यमाप्रमाणे. | 16 |
| | किंवा | |
| | इंग्रजी माध्यमाप्रमाणे. | |
| 5. | टिपण लिहा. | |
| | अ) संमीश्रण आणि संविलयन यातील फरक लिहा. | 4 |
| | ब) प्रमंडळासाठी ख्याती मुल्यांकनाची गरज. | 4 |
| | क) भागभांडवलाचे परिवर्तन. | 4 |
| | ड) विनीमय विपत्र. | 4 |

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सुचनाएँ :- 1. सभी प्रश्न हल करना अनिवार्य है।
2. सभी प्रश्नों को समान अंक है।

- | | | |
|----|---|----|
| 1. | सामाजीक लेखांकन परिभाषित किजिए। सामाजीक लेखांकन की आवश्यकता तथा व्यापकता के बारे में चर्चा किजिए। | 16 |
| | अथवा | |
| | अंग्रेजी माध्यम के अनुसार। | |
| 2. | अंग्रेजी माध्यम के अनुसार। | 16 |
| | अथवा | |
| | अंग्रेजी माध्यम के अनुसार। | |
| 3. | अंग्रेजी माध्यम के अनुसार। | 16 |
| | अथवा | |
| | अंग्रेजी माध्यम के अनुसार। | |
| 4. | अंग्रेजी माध्यम के अनुसार। | 16 |
| | अथवा | |
| | अंग्रेजी माध्यम के अनुसार। | |
| 5. | संक्षेप में लिखिए। | |
| | अ) संमीश्रण एवं संविलयन में भेद लिखिए। | 4 |
| | ब) प्रमंडल के लिए ख्याती मुल्यांकन की आवश्यकता। | 4 |
| | क) भाग पूंजी का परिवर्तन। | 4 |
| | ड) विनिमय विपत्र। | 4 |
