

M.Com.- I (NEP Pattern) Semester-I
NEP-223 / 01MCOM101 - Advanced Financial Accounting

P. Pages : 7

Time : Three Hours



GUG/W/24/15037R

Max. Marks : 80

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

1. a) Explain the need and scope of Social Accounting.

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OR

- b) Yognya Ltd. and Myra Ltd. are two companies carrying on business in the same line of activity. Their balance sheet as on 31st March, 2023 are given.

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Balance Sheets as on 31st March, 2023.

Liabilities	Yognya Ltd. Rs.	Myra Ltd. Rs.	Assets	Yognya Ltd	Myra Ltd. Rs.
Full paid up equity			Land & Building	1,00,000	--
Share of Rs. 10 each	6,00,000	2,00,000	Plant & Machinery	7,00,000	3,00,000
General Reserve	4,00,000	2,00,000	Investment	1,00,000	--
Secured Loan	6,00,000	1,00,000	Stock	9,00,000	4,00,000
Current Liabilities	6,00,000	4,00,000	Debtors	3,00,000	1,00,000
			Cash at Bank	1,00,000	1,00,000
	22,00,000	9,00,000		22,00,000	9,00,000

The above two companies decide to amalgamate into Adarsh Ltd. The following further information is given-

- i) Yognya Ltd. hold 8,000 shares in Myra Ltd. at the rate of 12.50 each.
- ii) All assets and liabilities of the two companies, except investments are taken over by Adarsh Ltd.
- iii) Each share in Myra Ltd. is valued at Rs. 25 for the purpose of the amalgamation.
- iv) Shareholders in Yognya Ltd. are paid off by issuing to them sufficient number of equity shares of Rs. 10 each in Adarsh Ltd. as fully paid up at par.
- v) Each share in A Ltd. valued at the rate of Rs. 15 for the purpose of the amalgamation, excluding of investments held.

Show journal entries to close the books of both the companies.

2. a) Following was the balance sheet of ND Pvt. Ltd., as on 31st March, 2023, You are required to work-out the fair value of its shares.

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Balance Sheet

Liabilities	Rs.	Assets	Rs.
2,000. 8% Preference Shares of Rs. 100 each fully paid	2,00,000	Building at Cost	1,80,000
		Furniture	25,000
3,000 Equity shares of Rs. 100 Each fully paid	3,00,000	Stock at Market value	3,95,000
		Sundry Debtors	3,15,000
Reserve Fund	1,00,000	6% Govt. Securities (at cost)	2,45,000
Profit & Loss A/c.	--	Cash & Bank	50,000
Balance on- 1-4-2023 1,00,000		Preliminary Expenses	10,000
Profit for 2022-23 3,20,000	4,20,000		
Accident Insurance Fund	80,000		
Depreciation Provisions for Building	65,000		
Creditors	55,000		
	12,20,000		12,20,000

Further information is available-

- i) The company's business prospects for 2023-24 are equally good.
- ii) The buildings are worth Rs. 4,00,000.
- iii) 12% is the normal rate of dividend declared by similar business after payment of income tax of 50% of profits and transfer to General Reserve of 20% of balance of profit.
- iv) Profits included interest on Govt. Securities.
- v) Profits for the last 3 years have been shown an upward trend of Rs. 40,000 annually.
- vi) Preferential shares are preferential as to capital and dividend.
- vii) Dividend on preference shares is due for 2022-23.

OR

- b) On October 1, 2023, the godown of AMV Pvt. Ltd., was destroyed by fire. The records of the company revealed the following particulars:

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Stock on April 1, 2022	Rs. 9,50,000
Stock on March 31, 2023	Rs. 8,00,000
Purchases during 2022-23	Rs. 31,00,000
Sales during 2022-23	Rs. 40,00,000
Purchases from April 1, 2023, to the date of fire	Rs. 7,50,000
Sales from April 1, 2023, to the date of fire	Rs. 10,00,000

In valuing the closing stock of 2022-23, Rs. 10,000 was written off whose cost was Rs. 48,000. Part of this stock was sold in 2023-24 at a loss of Rs. 4,000 whose cost was Rs. 24,000. Stock salvaged was Rs. 50,000. The godown was fully insured.

Indicate from the above, the amount of claim to be made against the Insurance Company.

3. a) The Balance Sheet of Desai Ltd. on 31-3-2023 was as follows:

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Balance Sheet

Liabilities	Rs.	Assets	Rs.
Issued & paid up Capital (2,000 shares of Rs. 100 each fully paid)	2,00,000	Goodwill	70,000
		Building	80,000
		Plant	1,50,000
200, 5% Debentures of Rs. 1000 each	2,00,000	Stock	50,000
		Debtors	43,000
Sundry Creditors	50,000	Cash	2,500
Bills Payable	5,000	Preliminary Exps.	4,500
Bank Overdraft	45,000	Accumulated Losses	1,00,000
	5,00,000		5,00,000

The following scheme of reconstruction was adopted:

- 1) The paid up value of each share to be reduced to Rs. 50.
- 2) 50% Debentures to be converted into 100; 7½% Debentures of Rs. 1,000 each.
- 3) Creditors agree to forego of the amount due to them in return for shares for the balance.
- 4) Assets are revalued as under:
Building Rs. 72,000, Plant Rs. 1,40,000, Stock Rs. 45,000, Debtors subject to Reserve for bad Debts Rs. 2,500
- 5) Goodwill and other fictitious assets to be written of entirely.

Give the necessary journal entries and prepare reconstructed balance Sheet.

OR

- b) Adarsh Ltd. Was incorporated on 1-7-2023. It took over business of a Vendor sand Sons w.e.f. 1-4-2023. Following information was made available for the year ended 31-3-2024

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	Rs ('000)
Gross Profit	98,000
Commission	2,625
Advertisement	5,250
Discount	350
Directors Fees	9,000
Salaries	18,000
Depreciation	2,800
Insurance	600
Preliminary Expenses	700
Rent & Taxes	3,000
Bad Debts	1,250
Interest to Vendors (upto 1-10-2023)	2,000
Audit and other fees	2,000
Bad Debts realized (on 1-5-2023)	500

Additional information:

- 1) Average monthly turnover from September onwards was double than that of average monthly turnover of the first four months. However, in August 2023, the turnover was 150% of the turnover in the following month.
- 2) Rent for the first three months was paid @ Rs. 2,00,000 per month and there after it was increased by Rs. 50,000 per month.
- 3) Bad debts for the period from September 1, 2023 to March 31, 2024 amounted to Rs. 3,50,000.

You are required to find out amount of profit for pre and post incorporation period.

4. From the following information you are required to prepare Consolidated Balance Sheet of Prakash Ltd. and its subsidiary Priya Ltd. as on 31st March 2023. 16

Liabilities	Prakash Ltd. Rs.	Priya Ltd. Rs.	Assets	Prakash Ltd. Rs.	Priya Ltd. Rs.
Share Capital (Rs. 100 each)	8,00,000	4,00,000	Goodwill	2,00,000	50,000
Capital Reserve	1,50,000	--	Plant	5,00,000	2,50,000
General Reserve	1,40,000	1,00,000	Building	2,00,000	1,00,000
Profit & Loss A/c	2,60,000	50,000	Investment- 3,000 shares in Priya Ltd.	3,60,000	--
Loans	2,00,000	1,00,000	Loans & Advances	--	60,000
Creditors	1,50,000	60,000	Stock	1,20,000	90,000
Bills payable	1,00,000	40,000	Debtors	1,50,000	1,00,000
			Bills Receivable	1,00,000	50,000
			Bank	1,70,000	50,000
	18,00,000	7,50,000		18,00,000	7,50,000

Additional Information:

- a) Bills Payable of Prakash Ltd includes Rs. 30,000 due to Priya Ltd.
- b) Sundry creditors of Prakash Ltd included Rs. 50,000 due Priya Ltd.
- c) On the date of acquisition of shares (1-4-2022) Priya Ltd's. Balance Sheet showed a General reserve of Rs. 40,000 and Profit & loss A/c of Rs. 20,000.

OR

- b) Nilrup Ltd acquired 90% of the equity shares in Rupnil Ltd. on Sept. 30, 2023 at a cost of Rs. 60,000. No Balance sheet was prepared at the date of acquisition. The Balance sheet of Rupnil Ltd. as at 31-3-2022 and 31-3-2023, were as follows: 16

Liabilities	2021-22 Rs.	2022-23 Rs.	Assets	2021-22 Rs.	2022-23 Rs.
Issued capital: 2,000 Equity shares of Rs. 10 each	20,000	20,000	Net Assets	60,000	75,600
Revenue reserve	40,000	44,000	Goodwill	10,000	10,000
Profit & Loss A/c	10,000	17,400			
Proposed dividend	---	4,200			
	70,000	85,600		70,000	85,600

Nilrup Ltd.'s Balance sheet on 31-3-2023 was :

Liabilities	Rs.	Assets	Rs.
Issued Capital: 20,000 Equity shares of Rs.10 each	2,00,000	Net Assets	3,00,000
Reserves: Capital 20,000 Revenue <u>1,00,000</u>	1,20,000	Subsidiary Co.- Cost of 1800 shares of Rs. 10 each in Rupnil Ltd.	60,000
Profit & Loss A/c	40,000		
	3,60,000		3,60,000

Nilrup Ltd.'s has not passed entries for the dividend proposed by Rupnil Ltd.

Prepare a Consolidated Balance sheet of Nilrup Ltd. as at 31-3-2023

5.

Write short note.

- | | |
|---|---|
| a) Social Accounting. | 4 |
| b) Method of Valuation of Shares. | 4 |
| c) Internal & External Reconstruction of Companies. | 4 |
| d) Inter Company Owing. | 4 |

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

- | | | | |
|----|----|--|----|
| 1. | a) | सामाजिक लेखाकनांच्या आवश्यकता आणि व्याप्ती स्पष्ट करा. | 16 |
| | | किंवा | |
| | b) | इंग्रजी माध्यमानुसार. | 16 |
| 2. | a) | इंग्रजी माध्यमानुसार. | 16 |
| | | किंवा | |
| | b) | इंग्रजी माध्यमानुसार. | 16 |
| 3. | a) | इंग्रजी माध्यमानुसार. | 16 |
| | | किंवा | |
| | b) | इंग्रजी माध्यमानुसार. | 16 |
| 4. | a) | इंग्रजी माध्यमानुसार. | 16 |
| | | किंवा | |
| | b) | इंग्रजी माध्यमानुसार. | 16 |
| 5. | | टिपा लिहा. | |
| | a) | सामाजिक लेखांकन | 4 |
| | b) | अंशाचे मुल्यांकन करण्याच्या पद्धती | 4 |
| | c) | कंपन्याचे अंतर्गत व बहिर्गत पुनर्निर्माण | 4 |
| | d) | कंपन्याचे आंतरिक ऋण | 4 |

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सुचनाएँ :- 1. सभी प्रश्न अनिवार्य हैं।
2. सभी प्रश्नों के अंक समान हैं।

- | | | | |
|----|----|---|----|
| 1. | a) | सामाजिक लेखांकन की गरज और दायरे स्पष्ट किजिए। | 16 |
| | | अथवा | |
| | b) | अंग्रेजी माध्यम के अनुसार। | 16 |
| 2. | a) | अंग्रेजी माध्यम के अनुसार। | 16 |
| | | अथवा | |
| | b) | अंग्रेजी माध्यम के अनुसार। | 16 |
| 3. | a) | अंग्रेजी माध्यम के अनुसार। | 16 |
| | | अथवा | |
| | b) | अंग्रेजी माध्यम के अनुसार। | 16 |
| 4. | a) | अंग्रेजी माध्यम के अनुसार। | 16 |
| | | अथवा | |
| | b) | अंग्रेजी माध्यम के अनुसार। | 16 |
| 5. | | टिप्पणी लिखिए। | |
| | a) | सामाजिक लेखांकन। | 4 |
| | b) | अंश मुल्यांकन की पद्धतियाँ। | 4 |
| | c) | कंपनीयों का अंतर्गत और बहिर्गत पुनर्निर्माण। | 4 |
| | d) | कंपनीका आंतरिक ऋण। | 4 |
