

20000890



20000890



Reg. No.....

Name.....

M.Com. DEGREE (C.S.S.) EXAMINATION, NOVEMBER 2020

Second Semester

Faculty of Commerce

AF02C06—ADVANCED FINANCIAL ACCOUNTING—II

(2012 to 2018 Admissions)

Time : Three Hours

Maximum Weight : 30

Section A

Answer any five questions.

Each question carries 1 weight.

1. What is Stevending charge ?
2. What is Underwriting Commission ?
3. List out the modes of winding up.
4. Give 2 objectives of Farm accounting.
5. Define Securities Underwriting.
6. What is Voyage in Progress c/d ?
7. Who is a contributory ?
8. What is Clear Profit ?

(5 × 1 = 5)

Section B

Answer any five questions.

Each question carries 2 weight.

9. Calculate Capital Base of an electricity company from the information given below :

Clear Profit for the year—Rs. 16,90,000 after interest on bonds at 10% on Rs. 5,00,000 ; Original Cost of Asset—2,00,00,000 ; Formation expenses—10,00,000 ; Current assets —50,00,000; Reserve Fund—20,00,000 (incl. 4 % government securities) ; Contingencies Reserve Fund Investments—5,00,000 ; Loan from electricity board—30,00,000 ; Depreciation—40,00,000 ; Tariff and Dividend control reserve—1,00,000; Security deposit from customers—4,00,000.

Turn over



20000890

10. What are the different types of underwriting agreement ?

11. Prepare Cattle Account from the following details :

Transaction	Number	Price/Value
Livestock purchased	55	3,07,500
Livestock sold	50	3,18,000
Slaughtered cattle sold	3	18,000
Carcasses sold	2	1,500
Expenses		34,500
Livestock (opening)	25	1,35,000
Livestock (closing)	34	1,65,000

Other Information :

(a) Crop from farm used as cattle feed is worth Rs. 4,000

(b) Sale of another 1 carcass brought Rs. 200 as earning.

12. Calculate Cost of Control of B Ltd. after the issue of bonus shares. The following details are available :

B Ltd. has a capital of Rs. 75,00,000 in shares of Rs. 100 each. A Ltd. purchased 60% of shares at Rs. 70,00,000. At the time of purchase the profits of B Ltd. were Rs. 40,00,000 and it also decided to issue bonus shares out of pre - acquisition profits. They decided to give 1 share of Rs. 100 each fully paid for every 3 shares held.

13. Prepare Liquidator's Final account of a company that had opted voluntary liquidation. There are :

Liabilities paid : Preferential Creditors—70,000 ; Debentures—75,000 and Unsecured Creditors—2,24,000.

Assets realized : Land and Premises—1,30,000 ; Machinery—1,10,500 ; Fixtures—7,500 and Cash—20,000.

Liquidation expenses were Rs. 2,000. Final call of Rs. 2 was made for 10,000 shares. All paid expect one shareholder of 500 shares.

The liquidator would get 2% on assets realized and 2% on amount given to unsecured creditors.

14. What are the challenges in Green Accounting ?



20000890

15. What are the salient features of Farm accounting ?
16. Explain the Order of Payment to be followed by the Liquidator.

(5 × 2 = 10)

Section C

*Answer any three questions.
Each question carries 5 weight.*

17. Explain Double Account System. Describe some of the advantages and disadvantages of the system.
18. The ship Marvel set on voyage from Mumbai to Kolkata 15th November 2015 with Apparels. It did not reach back before the books were closed on 31st December 2015. The ship had reached only half way of its return journey. The freight earned Rs. 12,00,000 and on return trip Rs. 8,00,000. Primage is 10%. Address Commission is 5 %. The expenses given relate to expenses till date (half way of return journey) :

Depreciation	:	3,00,000
Port dues	:	1,00,000 (60,000 at Mumbai and the rest at Kolkata)
Bunker charges	:	6,00,000
General expenses	:	60,000
Insurance of freight :		
Outward	:	52,800
Inward	:	35,200
Insurance (ship)	:	48,000
Salaries and wages	:	3,60,000

Prepare Voyage account for the period.

19. AB Ltd. opted for voluntary liquidation. The details regarding it are given below :

Class A Equity shares—2,000 (Rs. 75 paid up)

Class B Equity shares—1,600 (Rs. 60 paid up)

Class C Equity shares—1,400 (Rs. 50 paid up)

8% Preference shares of Rs. 100 each.

All shares have face value of Rs. 100

Liquidation charges were Rs. 15,000. Assets realized Rs. 4,20,000. The company had a loan of Rs. 50,000 from Luck Bank against the mortgage of Plant and Machinery (and realized Rs. 80,500). Wages for 4 office staff for 4 months at Rs. 300 p.m. and wages of 4 peons at Rs. 150 p.m. have not been paid. Creditors are there which amount to Rs. 87,400. Prepare Liquidator's Statement.

Turn over



20000890

20. Prepare a Consolidated Balance Sheet from the summarized balance sheet of 2 companies for the year 31st December 2015 :

Liabilities	AB LTD.	CD LTD.	Assets	AB LTD	CD LTD.
Share Capital (per share Rs. 10)	20,00,000	8,00,000	Assets	26,78,000	13,70,000
Reserves and surplus	3,00,000	2,00,000	Shares in CD		
P and L a/c	4,00,000	1,00,000	Ltd. (nos.48,000)	6,72,000	
Creditors	6,50,000	2,70,000			
Total	33,50,000	13,70,000		33,50,000	13,70,000

AB Ltd. purchased 64,000 shares in CD Ltd. at Rs. 14 per share and the reserves were the same (Rs. 2,00,000). AB Ltd. sold 16000 shares of CD Ltd. on 30th September 2015 at Rs. 16 per share and profit on sale has been credited to capital reserve.

21. Prepare Receipts and Expenditure a/c on Capital a/c for the year ended 31st December 2016 :

	Debit	Credit
Equity Shares		10,00,000
Preference shares (6%)		6,00,000
7.5% Debentures		4,00,000
Premium on Preference Shares		55,000
Net Revenue a/c		32,000
Due to other companies		4,000
Creditors		30,000
Fire Insurance Fund		5,000
General Reserve		65,000
Superannuation Fund		15,000
Lines open for traffic	17,04,000	
Lines in construction	10,000	
Lines leased	40,000	



20000890

	Debit	Credit
Lines owned jointly	1,00,000	
Working stock	2,60,000	
Building	25,000	
Cash	10,000	
Stores and stock	25,000	
Traffic amount due to company	20,000	
Amount due from other companies	5,000	
Other receivables	7,000	

Adjustments : 6% Preference Shares were issued amounting to Rs. 1,50,000 which was fully subscribed. Equity shares were issued Rs. 2,00,000 at 10% premium. Expenditure on lines was Rs. 40,000, Rs. 3,000 on Lines in construction and Rs. 20,000 on Lines jointly owned.

22. Prepare Trading, P and L a/c and Balance Sheet from the following for the year ended 31st December 2016 :

<i>Particulars</i>	<i>Amount (Dr.)</i>	<i>Particulars</i>	<i>Amount (Cr.)</i>
Opening Stock :		Sale of :	
Livestock 30,500		Milk and products 15,200	
Paddy 2,000		Paddy 26,300	
Cattle feed 1,400		Livestock 4,500	
Fertilizers 1,100	35,000		46,000
Purchases :		Creditors	5,900
Livestock 5,800			
Fertilizers 1,200			
Seeds 600			
Cattle feed 3,400	11,000		

Turn over



20000890

<i>Particulars</i>	<i>Amount (Dr.)</i>	<i>Particulars</i>	<i>Amount (Cr.)</i>
Crop expenses :		Capital	85,600
Labour 3,600			
Direct expenses 400	4000		
Livestock expenses	5,000		
Sundry expenses	6,000		
Machines	18,000		
Land	50,000		
Cash	8,500		
	1,37,500		1,37,500

Closing stock : Livestock— 30,000, Paddy—1,500 ; Cattle feed—900 ; Fertilizers—600.

Depreciation is 5% on Machines.

These items were used in the household :

Milk—2400 and Paddy—600.

(3 × 5 = 15)