

G 18001410



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Reg. No.....

Name.....

**M.Com. DEGREE (C.S.S.) EXAMINATION, JUNE 2018**

**Second Semester**

Faculty of Commerce

AF02C06—ADVANCED FINANCIAL ACCOUNTING—II

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

**Section A**

*Answer any **five** questions.*

*Each question carries a weight of 1.*

1. What is System of Environmental Economic Accounting ?
2. Define Securities Underwriting.
3. What is Voyage in Progress c/d ?
4. Who is a contributory ?
5. What is Clear Profit ?
6. Explain Cost of Control.
7. What is Development Reserve ?
8. What is Consolidated Balance Sheet ?

(5 × 1 = 5)

**Section B**

*Answer any **five** questions.*

*Each question carries a weight of 2.*

9. What are the different types of underwriting agreement ?
10. Prepare Cattle Account from the following details :

Transaction	Number	Price/Value
Livestock purchased	55	2,05,000
Livestock sold	50	2,12,000
Slaughtered cattle sold	3	12,000
Carcasses sold	2	1,000
Expenses		23,000
Livestock (opening)	25	90,000
Livestock (closing)	30	1,10,000

**Turn over**





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Other Information :

- (a) Crop from farm used as cattle feed is worth Rs. 5,000.
- (b) Sale of another 1 carcass brought Rs. 100 as earning.

11. Calculate Cost of Control of B Ltd. before 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.

12. 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 % Govt. 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.

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 ?
- 15. What are the salient features of Farm accounting ?
- 16. Explain Minority Interest.

(5 × 2 = 10)





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**Section C**

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

17. Vikrant of Maersk shipping Co. commenced its voyage from Kolkota to Mumbai on 1<sup>st</sup> March 2015. On 31<sup>st</sup> March the ship is on its return journey. The details of the expenses of entire voyage are as follows :

Harbour dues - 50,000 ; Salaries to crew - 40,000 ; Bunker charges - 2,50,000 ; Depreciation - 10,000 ; Sundry expenses - 12,000 ; Insurance of ship for the voyage - 8,000 ; Freight- 6,00,000 (outward - 4,00,000 and Freight inward - 2,00,000).

Primage earned is 10%. Address Commission is 5% for outward and 4% for inward journey. Prepare Voyage account for the period ended 31<sup>st</sup> March 2014.

18. Prepare a Consolidated Balance Sheet from the summarized balance sheet of 2 companies for the year 31<sup>st</sup> December 2015 :

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

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 16,000 shares of CD Ltd. on 30<sup>th</sup> Sept. 2015 at Rs. 16 per share and profit on sale has been credited to capital reserve.

19. Define Liquidation. What are the various modes of winding up ?

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20. The following is the Trial Balance of an Electricity Company as on 31<sup>st</sup> December 2015 [closing date of books) :

<i>Particulars</i>	Dr.	Cr.
	Rs.	Rs.
Land :	60,000	
Expended land (during the year) :	2,000	
Machinery :	2,40,000	
Expended Machinery (during the year) :	2,000	
Mains :	80,000	
Expended Mains (during the year) :	20,400	
Debtors :	16,200	
Cash :	2,000	
Cost of generating power :	14,000	
Cost of distribution :	2,000	
Rent and rates :	2,000	
Sundry expenses :	4,800	
Depreciation :	8,000	
Interest on Debentures :	4,000	
Interim dividend :	8,000	
Share Capital :		2,19,600
Debentures :		80,000
Creditors :		400
Depreciation Reserve :		1,00,000
Current/Power sold :		52,000
Rent of Meters :		2,000
Balance in Net Revenue a/c (31.12.14)		

Prepare Capital Account and General Balance Sheet from the above information.





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

Particulars	Amount (Dr.)	Particulars	Amount (Cr.)
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		
Crop expenses :		Capital	85,600
Labour 3,600			
Direct expenses 400	4,000		
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 - 2,400 and Paddy - 600

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22. Draw the Statement of Affairs from the following information :

	Rs.
Cash	5,000
Stock in trade (estimated to produce Rs. 15,000)	20,000
Fixtures (estimated to produce Rs. 2,100)	3,000
Plant and Machinery (estimated to produce Rs. 15,600)	15,000
Land and Building (estimated to produce Rs. 45,000)	30,000
Debtors (estimated to produce Rs. 5,200)	6,200
Preferential Creditors	2,000
Unsecured Creditors	70,000
Fully secured creditors (value of securities Rs. 11,000)	9,000
Creditors partly secured (value of security Rs. 6,000)	10,000
Bank OD, secured by second charge on all the assets	8,000
Debentures (10%) secured by floating charge on all assets (interest paid to date)	50,000
Equity Share capital 6,000 shares of Rs. 10 each	60,000
Preference Share capital (11%) 6,500 shares of Rs. 10 each	65,000
Calls in arrears on equity share (estimated to produce Rs. 1,000)	2,500
	(3 × 5 = 15)

