

**B.Com. (Semester – VI) (New Course) Examination, April/May 2019****ACCOUNTING MAJOR – 1****Advanced Accounting – II**

Duration : 2 Hours

Total Marks : 80

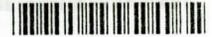
Instructions : 1) Q. No. 1 is compulsory.2) Attempt **any three** for Q. No. 2 to Q. No. 6.3) **Each** question carries **20** marks.4) Mention working notes and schedules required **wherever** necessary.1. The following is the extract of Trial Balance of Vishal Limited as on 31st

March 2018 :

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| Particulars | Amount (Rs.) |
|-------------------------------------|---------------------|
| Sales | 1,20,00,000 |
| Opening stock of raw material | 10,00,000 |
| Opening stock of finished goods | 5,00,000 |
| Purchase of raw material | 27,00,000 |
| Purchase returns | 2,00,000 |
| Sales returns | 20,00,000 |
| Interest received on fixed deposits | 5,00,000 |
| Miscellaneous income | 4,00,000 |
| Freight on raw materials | 30,000 |
| Salaries and wages | 4,00,000 |
| Bonus to employees | 80,000 |

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| Directors remuneration | 8,00,000 |
| Depreciation on Plant and machinery | 3,00,000 |
| Depreciation on land and buildings | 5,00,000 |
| Depreciation on furniture | 1,00,000 |
| Interest paid on debentures | 5,00,000 |
| Interest on loan from bank of Baroda | 2,00,000 |
| Repairs and maintenance expenses | 80,000 |
| Insurance premium paid on office premises | 30,000 |
| Electricity charges | 40,000 |
| Rent, rates and taxes | 20,000 |
| Audit fees | 50,000 |
| Advertisement expenses | 1,20,000 |
| Sundry expenses | 10,000 |

Additional information :

- 1) Closing stock of raw materials and finished goods was Rs. 5,00,000 and Rs. 6,00,000 respectively.
- 2) Outstanding electricity charges and rent, rates and taxes were Rs. 10,000 and Rs. 30,000 respectively.
- 3) Miscellaneous income receivable was Rs. 10,000
- 4) Rs. 50,000 to be provided for bad and doubtful debts.
- 5) Prepaid advertisement expenses were Rs. 20,000.
- 6) Make a provision for income tax of Rs. 2,00,000.

Prepare statement of Profit and loss for the year ended 31st March 2018 as per the Schedule III of Companies Act, 2013.



2. Following is the Trial Balance of Butterfly Electronics Limited as on 31st March 2018. 20

| Particulars | Debit (Rs.) | Particulars | Credit (Rs.) |
|----------------------------|------------------|---|------------------|
| Stock (at cost) | 10,00,000 | Share capital (Equity shares of Rs. 100 each) | 40,00,000 |
| Fixed Assets (Net Block) | 24,70,000 | General Reserve | 1,40,000 |
| Sundry debtors | 8,00,000 | Loan from IDBI (long term) | 6,00,000 |
| Staff advance (short term) | 1,70,800 | Provision for taxation | 22,000 |
| Cash in hand | 1,20,000 | Net profit for the year | 5,40,000 |
| Bank balance | 9,88,000 | Profit and loss account (opening balance) | 2,00,000 |
| Preliminary expenses | 53,200 | Unsecured loans (long term) | 1,00,000 |
| Advance tax | 24,000 | Sundry creditors | 2,80,000 |
| Bills receivables | 1,16,000 | Unclaimed dividend | 10,000 |
| Investments (long term) | 1,50,000 | | |
| Total | 58,92,000 | Total | 58,92,000 |

Additional information :

- 1) Transfer to general reserve Rs. 1,00,000.
- 2) Out of the debtors, debts due for more than six months were Rs. 1,04,000.
- 3) Sundry creditors included creditors for Goods Rs. 2,10,000 while the remaining are for expenses.
- 4) Loan from IDBI is secured against stock.
- 5) Market value of investments is Rs. 1,56,000 while the face value is Rs. 1,20,000.

Prepare Balance Sheet of Butterfly Electronics Limited for the year ended 31st March 2018.



3. From the following figures taken from the books of New Bombay General Insurance Limited prepare Revenue Account for the year ended 31st March 2018.

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| Particulars | Amount (Rs.) | Particulars | Amount (Rs.) |
|--|--------------|--|--------------|
| Fire fund | 9,30,000 | Commission on direct business | 2,99,777 |
| General reserve | 4,50,000 | Commission on Re-insurance accepted | 60,038 |
| Investments | 36,00,000 | Outstanding premium | 22,300 |
| Premiums | 27,01,533 | Claims intimated but not Paid (1-4-2017) | 60,000 |
| Claims paid | 6,02,815 | Expenses on management | 4,31,947 |
| Share capital 9,000 shares of Rs. 100 each | 9,00,000 | Audit fees | 36,000 |
| Additional reserve | 3,30,000 | Rates and taxes | 5,804 |
| Profit and loss account (Cr.) | 75,000 | Rent | 67,500 |
| Re-insurance premium | 1,12,525 | Income from investment | 1,53,000 |
| Claims recovered from Re-insurers | 21,119 | Sundry creditors | 22,500 |
| Commission on reinsurance ceded | 48,016 | Agent's balance (Dr.) | 20,000 |
| Advance income tax paid | 2,50,000 | Cash on hand and bank balance | 1,82,462 |

The following further information may also be noted :

- 1) Expenses of management include survey fees and legal expenses of Rs. 36,000 and Rs. 20,000 relating to claims.
- 2) Claims intimated but not paid on 31st March 2018 - Rs. 1,04,000.
- 3) Income tax to be provided at 55%
- 4) Transfer of Rs. 2,00,000 to be made from current profits to general reserve.



4. The following figures are available from the books of Western Bank Limited as on 31st March 2018. You are required to prepare the profit and loss account with necessary schedules :

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| Particulars | Amount (Rs.) |
|---|----------------|
| | (Rs. in 000's) |
| Interest on loans | 3,10,000 |
| Interest on cash credit | 2,90,000 |
| Interest on overdraft | 2,00,000 |
| Interest on balances with RBI | 40,000 |
| Interest on investments | 10,000 |
| Interest on fixed deposits | 2,60,000 |
| Interest on saving accounts | 80,000 |
| Interest on current accounts | 30,000 |
| Discount on bills discounted | 1,90,000 |
| Interest on borrowing from other banks | 10,000 |
| Profit on sale of investments | 40,000 |
| Loss on sale of investments | 5,000 |
| Income from joint ventures | 25,000 |
| Profit on revaluation on investments | 35,000 |
| Loss on revaluation of investments | 10,000 |
| Dividends received from joint stock companies | 25,000 |
| Salaries to staff | 65,000 |
| Rent and taxes | 8,000 |
| Depreciation on bank assets | 21,000 |
| Sundry income | 18,000 |
| Printing and stationery | 17,000 |
| Repairs and maintenance | 14,000 |
| Advertisements | 6,000 |



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| Directors' fees and allowances | 9,000 |
| Audit fees | 6,000 |
| Law charges | 8,000 |
| Postage and telephone charges | 11,000 |
| Other expenses | 4,000 |
| Profit on 1-4-2017 | 1,20,000 |

Additional information :

- 1) Write off Rs. 19,000 for bad and doubtful debts
 - 2) Provide 40% for taxation
 - 3) Rebate on bills discounted is to be provided for Rs. 20,000.
5. Amazon Limited passed a resolution to wind up voluntarily. The summary of assets and liabilities as on 31st March 2017 was as under :

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| Liabilities | Amount | Assets | Amount |
|-----------------------------|-----------------|---------------------|-----------------|
| 8,000, 6% cumulative | | Freehold property | 1,00,000 |
| Preference shares of Rs. 10 | | Plant and machinery | 1,10,000 |
| each | 80,000 | Stock | 90,000 |
| 12,000, equity shares of | | Cash | 250 |
| Rs. 10 each | 1,20,000 | Debtors | 59,750 |
| 5% debentures (secured on | | | |
| Freehold property) | 60,000 | | |
| Bank overdraft | 30,000 | | |
| Trade creditors | 65,500 | | |
| Income tax payable | 4,500 | | |
| Total | 3,60,000 | Total | 3,60,000 |



Additional information :

Debentures are paid on 31st March 2018. The dividend on 6% cumulative preference shares is in arrears for last three years :

The freehold property was sold for 1,00,000. Plant and machinery realized Rs. 60,000, stock Rs. 75,000, and debtors realized Rs. 50,000.

Cost of liquidation was Rs. 5,000 and the liquidator's remuneration was fixed at Rs. 2,530 plus 2% on the amount realized and 10% on the amount returned to equity shareholders.

The company articles of association give the preference shares priority over equity shares both for dividend and capital.

Prepare liquidator's final statement of account as on 31st March, 2018 to show the distribution.

6. The following is the trial balance of Jandhan Bank Ltd. as on 31-3-2018 : 20

| Particulars | Debit (Rs.) | Credit (Rs.) |
|---|--------------------|---------------------|
| Share capital - - 30,000 shares of Rs. 10 each | | 3,00,000 |
| Statutory reserve | | 4,00,000 |
| Saving deposits | | 4,50,000 |
| Fixed deposits | | 2,78,000 |
| Current deposits | | 3,74,000 |
| Cash in hand | 2,90,000 | |
| Cash with RBI | 4,20,000 | |
| Interest and discount | | 3,00,000 |
| Commission and brokerage | | 50,000 |
| Interest on fixed deposits | 30,000 | |
| Interest on current deposits | 12,500 | |
| Interest on saving deposits | 20,000 | |
| Salaries (including salary Rs. 12,000 to manager) | 1,31,000 | |
| Rent, insurance and taxes | 4,000 | |

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| Postage and telegram | 900 | |
| Printing and stationary | 7,000 | |
| Audit fees | 4,000 | |
| Depreciation | 3,300 | |
| Investments in shares | 84,000 | |
| Loans, cash credit and overdraft | 4,90,000 | |
| Bills discounted and purchased | 1,80,000 | |
| Government bonds | 1,60,000 | |
| Furniture | 40,000 | |
| Premises | 3,00,000 | |
| Branch adjustment account | | 24,700 |
| Total | 21,76,700 | 21,76,700 |

Additional information :

- 1) Rebate on bills discounted Rs. 27,000
 - 2) Create reserve for doubtful debts Rs. 11,000
 - 3) Bills for collection amounted to Rs. 80,000
 - 4) Net profit for the current year amounted to Rs. 99,300
 - 5) Transfer 25% of the current year's profit to statutory reserve
- You are required to prepare Balance Sheet as on 31st March 2018.