

T.Y.B.Com Semester VI (Repeat) / One Time Opportunity  
EXAMINATION OCTOBER 2019  
Accounting Major 1 : Advance Accounting II

[Duration : Two Hours]

[Max. Marks :80]

**Instructions :**

1. Q. No. 1 is **compulsory**.
2. Attempt **any three** from Q. No. 2 to Q. No. 6.
3. **Each** question carries **20** marks.
4. Mention working notes and Schedules required **wherever** necessary.

**Q.1** Finolex Limited furnishes you the following Trial Balance as on 31<sup>st</sup> March 2018.

**(20 Marks)**

PARTICULARS	DEBIT (Rs.)	CREDIT (Rs.)
Equity share capital: Shares of Rs.10 each fully paid		50,00,000
Capital redemption reserve		20,00,000
Interim dividend paid	1,80,000	
General reserve		26,70,000
Cash balance	20,000	
ICICI Bank –Current account	1,00,000	
Debtors	42,00,000	
Provision for bad debts		2,00,000
Advance against salary	1,50,000	
Prepaid expenses	50,000	
Income received in advance		60,000
Sundry creditors		10,00,000
Fixed assets at cost	78,00,000	
Provision for Depreciation		15,40,000
Inventory at cost	20,00,000	
Advance tax payment	6,00,000	
Provision for Taxation		5,50,000
Expenses payable		80,000
Profit & Loss Account		20,00,000
<b>Total</b>	<b>1,51,00,000</b>	<b>1,51,00,000</b>

**Additional information**

1. Entire authorized capital has been issued and subscribed.
2. Profit and loss account figure in the trial balance is arrived at as under;

	Rs.
Previous year's balance b/d	1,00,000
Net profit for the year	19,00,000
<b>Total</b>	<b>20,00,000</b>

3. The company's profit and loss account for the year ended Rs. 2,00,000.

4. The directors proposed a dividend of 10%.

Prepare Balance Sheet of Linex Limited for the year ended 31<sup>st</sup> March 2018 as per Schedule III of Companies Act 2013.

Q.2 From the following information, prepare Profit & Loss Account of Vijaya Bank Limited for the year ended 31-3-2013. (20 Marks)

Particulars	Amount(Rs.)
Interest paid on deposits	4,30,000
Interest on loans	4,50,000
Commission received	1,50,000
Advertising	15,000
Printing and stationery	32,000
Exchange	1,20,000
Interest on borrowings	2,40,000
Interest on overdrafts	2,10,000
Salaries & allowances to employees (other than Managing Director )	1,20,000
Interest on cash credits	3,10,000
Managing Director's salaries and allowances	48,000
Local committee members' fees and allowances	30,000
Discount and bills discounted	3,80,000
Brokerage	1,00,000
Lockers rent	3,000
Provident fund contribution	12,000
Rent , taxes ,insurance ,lighting etc .	50,000
Law charges	5,000
Repairs to Bank property	4,000
Transfer fees	1000
Auditor's fees	12,000
Depreciation on bank property	10,000
Postage & Telegram	4,000
Loss on sale of Government Securities	3,000

**Additional information :**

- Provide Rs. 80,000 for taxation.
- Rebate on bills discounted on 31-3-2018 Rs. 10,000.

of liquidator's final statement into a voluntary liquidation. The following table shows the assets and liabilities as on that date was as follows:

Liabilities	Amount (Rs.)	Assets	Amount(Rs.)
Equity Shares of Rs.10 each, fully paid	1,00,000	Land & building	5,00,000
Equity Shares of Rs.10 each, Rs.6 paid	60,000	Machinery	4,00,000
10 % Preference Share Capital	1,00,000	Furniture	1,50,000
Profit & Loss Account	1,00,000	Investments	1,00,000
10% Debentures	4,00,000	Stock	2,00,000
Outstanding interest on Debentures	40,000	Debtors	1,50,000
Mortgage Loan (secured against investment)	70,000		
Mortgage Loan (secured against Machinery )	2,40,000		
Provident fund	1,60,000		
Bank overdraft	30,000		
Creditors	2,00,000		
<b>TOTAL</b>	<b>15,00,000</b>	<b>TOTAL</b>	<b>15,00,000</b>

**Additional information:**

- 1) Creditors of the mortgage loans have sold investments for Rs. 60,000 and Machinery for Rs. 3,00,000.
- 2) Creditors include unpaid salaries of 2 permanent employees Rs. 50,000 and payable to contract workers Rs. 20,000.
- 3) Outstanding Municipal Tax 2016 – 17 ----- Rs. 20,000.  
2017 – 18 ----- Rs. 10,000.
- 4) Land & Building; Stock and Furniture were sold for Rs. 6,00,000 , Rs. 2,20,000 and Rs. 70,000 respectively.
- 5) Bad debts amounted to Rs. 40,000.
- 6) Liquidation expenses amounted to Rs. 20,000.
- 7) Liquidator is entitled for 2% commission on assets realized by him.
- 8) Debentures were paid on 30-6-2018.
- 9) Declared but unpaid Preference dividend is Rs. 10,000.

Prepare Liquidator's Final Statement of Accounts assuming that the last payment was made on 31-7-2018.

Q.4 The following Insurance Account of Reliable General Insurance Limited is available for the year ended 31<sup>st</sup> March 2018.

PARTICULARS	DIRECT	RE-INSURANCE
	BUSINESS	
Premium received	65,75,000	9,50,000
Premium paid	-----	4,75,000
Claims paid during the year	42,50,000	5,00,000
Claims payable : 1 <sup>st</sup> April 2017	6,25,000	87,000
31 <sup>st</sup> March 2018	7,18,000	60,000
Claims received	-----	3,25,000
Claims receivable : On 1 <sup>st</sup> April 2017	-----	65,000
On 31 <sup>st</sup> March 2018	-----	1,10,000
Expenses of Management	2,30,000	-----
Commission : On insurance accepted	1,50,000	11,000
On insurance ceded	-----	14,000

The following additional information is available:

- 1) Expenses of Management includes Rs. 35,000 surveyor's fee and Rs. 45,000 as legal expenses for settlement of claims.
- 2) Reserve for unexpired risk is to be maintained @ 40%. The balance of reserve for unexpired risk as on 1-4-2017 was Rs. 24,50,000.

Prepare Fire Revenue Account of Reliable General Insurance Limited for the year ended 31<sup>st</sup> March 2018.

Q.5 From the following balances, prepare Balance Sheet of Sahakar Bank Limited for the year ended 31-3-2018. (20 Marks)

PARTICULARS	AMOUNT (Rs.)
Equity Share Capital	20,00,000
Statutory reserve	10,00,000

Capital Reserve	4,00,000
General Reserve	4,00,000
Capital Profit	4,00,000
Forward deposits	20,00,000
Savings bank Deposits	20,00,000
Term deposits	20,00,000
Borrowings from RBI	24,00,000
Borrowings from other banks	1,00,40,000
Bills payable	30,00,000
Inter-office adjustments (cr)	14,00,000
Cash in hand	14,00,000
Balance with RBI	25,40,000
Money at call and short notice	45,00,000
Investments in Government securities	28,00,000
Investment in shares	25,00,000
Gold	20,00,000
Cash credits	35,00,000
Overdrafts	30,00,000
Term Loans	50,00,000
Premises	25,00,000

**Additional Information:**

- 1) The authorized capital of the bank is Rs. 50,00,000 divided in 5,00,000 shares of the face value of Rs. 10 each.
- 2) The bank has bills for collection to the extent of Rs. 10,00,000.

**Q.6** The following is the extract of Trial Balance of Amarcon Limited as on 31<sup>st</sup> March 2018. (20 Marks)

PARTICULARS	AMOUNT(Rs.)
Sales	1,20,00,00
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 material	30,000
Salaries & wages	4,00,000
Bonus to employees	80,000
Directors' remuneration	8,00,000
Depreciation on Land & Building	5,00,000

Depreciation on Furniture	1,00,000
Interest paid on Debentures	5,00,000
Interest on loan from Bank of Maharashtra	2,00,000
Repairs & maintenance	80,000
Insurance premium 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 & finished goods was Rs. 5,00,000 and Rs. 6,00,000 respectively.
- 2) Outstanding electricity charges Rs. 10,000 and Rent, rates and taxes were Rs. 30,000.
- 3) Miscellaneous income receivable was Rs. 10,000.
- 4) Rs. 50,000 to be provided for bad & doubtful debts.
- 5) Prepaid advertisement expenses were Rs. 20,000.
- 6) Create provision for taxation of Rs. 2,00,000.

Prepare Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2018 as per the provisions of the Companies Act 2013.