



B.Com. (Semester – VI) Examination, April 2016
Accounting Major – 1 (New Course)
ADVANCED ACCOUNTING – II

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) Question No. 1 is **compulsory**.
2) Attempt **any three** questions from the **remaining**.
3) **Each** question carries **20** marks.
4) Working note required **whenever** necessary.

1. Rising Engineering Limited have an Authorized Capital of Rs. 50,00,000 divided into 500000 Equity shares of Rs. 10 each. Their books show the following balances as on 31st March 2015.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Stock on 1 st April 2014	6,65,000	Bank Current Account	20,000
Discount and Rebates (Cr.)	30,000	Cash in Hand	8,000
Carriage Inward	57,500	Debenture Interest	10,000
Patterns	3,75,000	Interest on bank loan	91,000
Rates, taxes and insurance	55,000	Calls in Arrears	10,000
Furniture and fixtures	1,50,000	Equity share capital	20,00,000
Material purchased	12,32,500	4% Debentures	5,00,000
Wages	13,05,000	Bank overdraft	7,57,000
Coal and Coke	63,000	Sundry Creditors	2,40,500
Freehold land	12,50,000	Sales	36,17,000
Plant and Machinery	7,50,000	Rent (Cr.)	30,000



Engineering tools	1,50,000	Goodwill	3,75,000
Sundry debtors	2,66,000	Bills receivables	1,39,500
Advertisements	15,000	Sundry expenses	61,000
Repairs	46,500	Bad debts	25,500
Sales return	85,000	Purchases return	32,500

Additional information :

- a) The stock as on 31st March 2015 was valued at Rs. 7,08,000.
- b) Outstanding Liability for wages Rs. 25,000.
- c) Depreciate Plant and Machinery at Rs. 35,000; Engineering tools Rs. 15,000; Patterns Rs. 37,500; Furniture and fixtures Rs. 15,000.
- d) Provide 2% as provision for doubtful debt on debtors after writing off Rs. 21,500 as bad debts.
- e) Write off Rs. 5,000 as preliminary expenses.
- f) Provide Rs. 2,40,000 for income tax.

You are required to prepare the Profit and Loss Statement for the year ended 31st March 2015.

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2. The following information is given to you from the Balance Sheet of Infosys Ltd. as on 31st March 2014.

a) Share Capital

Issued, subscribed, and paid up

20000 Equity shares of Rs. 10, Rs. 7.50 per share called up

and paid up Rs. 1,50,000

60000 Equity shares of Rs. 10 each, Rs. 6 per share paid up Rs. 3,60,000

20000, 10% Preference shares of Rs. 10 each fully paid up Rs. 2,00,000

b) Reserves and Surplus

Profit and Loss account (Debit balance) Rs. 2,40,000

c) Long term borrowings

10% Debentures having a floating charge on all assets Rs. 2,00,000



d) Short term borrowings	
Loan	Rs. 90,000
e) Trade Payables	
Sundry Creditors	Rs. 4,00,000
f) Other current liabilities	
Interest due on Debentures	Rs. 10,000
g) Tangible assets	
Land and Buildings	Rs. 4,00,000
Machinery and Plant	Rs. 3,00,000
Furniture	Rs. 80,000
h) Inventories	Rs. 1,10,000
i) Trade Receivables	
Sundry Debtors	Rs. 2,20,000
j) Cash and Cash Equivalents	
Balance with bank	Rs. 60,000

On the above date, the company went into liquidation. The dividends on Preference shares were in arrears for the last two years. Loan was on a mortgage of Land and Building. The assets realized were as under :

Land and Buildings Rs. 3,40,000; Plant and Machinery Rs. 2,90,000; Furniture Rs. 70,000; Inventories Rs. 1,20,000; Trade Receivables Rs. 1,60,000.

Interest accrued on loan (Mortgage of Building) upto the date of payment amounted to Rs. 10,000. The expenses of liquidation amounted to Rs. 4,600. The liquidator is entitled to a remuneration of 3% on all the assets realized except cash at bank and 2% of the amount distributed among equity shareholders. Preferential creditors included in sundry creditors amount to Rs. 30,000. All payments were made on 30th June 2015.

Prepare the Liquidators Final Statement of Accounts.



3. The following particulars are provided from the books of Oriental Bank Ltd. as on 31st March 2015.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Authorised capital	20,00,000	Reserve Fund	15,00,000
Subscribed capital 10000 shares of Rs. 100 each	10,00,000	Letters of credit issued	2,50,000
Investments	35,00,000	Telegraphic transfers payable	4,00,000
Bills Purchased and discounted	80,00,000	Bank drafts payable	6,00,000
Profit and Loss A/c (Cr.)	4,25,000	Short term loans	2,30,000
Bills for collection	50,000	Rebate on Bills Discounted	5,000
Acceptances for customers	25,00,000	Loans and advances	50,00,000
Money at call and short notice	45,00,000	Cash credit	50,00,000
Cash in hand	10,00,000	Bank Overdrafts	5,00,000
Cash with RBI	20,00,000	Current Deposits	50,00,000
Cash with SBI	20,00,000	Fixed Deposits	2,00,00,000
Premises	7,10,000	Saving Deposits	30,00,000
		Investment Fluctuation Fund	50,000

Prepare the Balance Sheet as on 31st March 2015 in the prescribed form along with relevant schedules.

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4. From the following figures taken from the books of New Goa Insurance Ltd., you are required to prepare Revenue Account and Profit and Loss account for the year ended 31st March 2015 along with relevant schedules.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Fire Fund as on 1-4-2014	11,80,000	Commission on Direct Business	2,99,777
General Reserve	4,50,000	Commission on reinsurance accepted	60,038
Investments	36,00,000	Outstanding Premium	22,300
Premium	26,01,533	Claims intimated but not paid (1-4-2014)	60,000
Claim Paid	6,02,818	Expenses on Management	4,31,947
Share Capital (Equity Share of Rs. 100 each)	10,00,000		



Profit and Loss account (Cr.)	25,000	Audit Fees	36,000
Re-insurance Premium	1,12,525	Rates and Taxes	5,804
Claims recovered		Rent	67,500
from reinsurance	21,119	Income from Investments	1,53,000
Commission on		Sundry creditors	22,500
reinsurance ceded	48,016	Agent's balance (Dr.)	20,000
Advance income tax paid	2,50,000		
Cash in hand and Bank balance	1,32,462		

The following further information may also be considered :

- Expenses of Management include survey fees and legal expenses of Rs. 36,000 and Rs. 20,000 relating to the claims.
 - Claims intimated but not paid on 31st March 2015 was Rs. 1,04,000.
 - Income tax to be provided at 40%.
 - Transfer Rs. 2,19,000 to General Reserve.
 - Reserve for unexpired Risk is to be maintained @ 50%.
5. Prepare a Balance Sheet of Patanjali Ltd. as per Schedule III of the Companies Act 2013 from the following information provided as on 31st March 2015.

Particulars	Debit (Rs.)	Credit (Rs.)
Term Loan		10,00,000
Sundry Creditors		11,45,000
Advances	2,56,000	
Cash and Bank Balance	2,72,000	
Staff Advances	55,000	
Tax Payables		1,70,000
Security Premium		4,75,000
Loose Tools	50,000	
Investments	2,25,200	
Profit/Loss account (31 st March 2015)	2,58,000	



Sundry Debtors	8,45,000	
Loan from Debtors		2,00,000
Provision for doubtful debts		20,200
Stores	2,34,000	
Fixed Assets (WDV)	39,00,000	
Finished Goods	65,000	
General Reserve		20,50,000
Capital work in progress	2,00,000	
Share capital		13,00,000
Total	63,60,200	63,60,200

Additional Information :

a) Share capital consist of :

i) 3000, Equity Shares of Rs. 100 each fully paid up.

ii) 10000, 10% Redeemable Preference Shares of Rs. 100 each fully paid .

b) Term loans are secured.

c) Depreciation provided on Fixed Asset Rs. 5,00,000.

d) All receivables are considered good for realization.

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6. From the following information prepare the Profit and Loss Account of ICICI Bank Ltd. for the year ended on 31-3-2015.

Particulars	Amount (Rs.)
Interest on loans	2,50,000
Interest on fixed deposits	2,75,000
Commission on letter of credit	5,000
Interest subsidy earned on export loans	50,000
Locker rent	5,000
Exchange and brokerage	20,000
Salary and allowances to employees	1,50,000
Discount on bills (gross)	1,52,000



Audit fees	10,000
Interest on cash credits	2,40,000
Taxes and licences	10,000
Interest on temporary overdraft in current accounts	30,000
Rent paid	15,000
Sundry expenses	15,000
Interest on saving bank deposits	87,000
Interest earned on balances held with other banks	10,000
Postage, Telephone and Telegrams	20,000
Printing and Stationery	20,000
Salary to Managing Director	30,000

Additional information :

- 1) Rebate on bills discounted is Rs. 30,000.
- 2) Bad debts to be written off Rs. 40,000.
- 3) Provide for taxation Rs. 34,000.
- 4) Interest of Rs. 4,000 on doubtful debts were wrongly credited to interest on Loan A/c.