



**INDIRA GANDHI NATIONAL TRIBAL UNIVERSITY
AMARKANTAK (M.P.)**

**End Semester Examination- 2018
M.Com. - I Semester
Commerce
(ADVANCED ACCOUNTING)**

Time:- Three Hours

Maximum Marks: 60

Note: Attempt all five questions. Each question carries 12 marks.

(5x12=60)

- Q. 1** Ram Co. Ltd. purchases the business of Shyam Co. Ltd. on the following terms:
- (a) Ram Co. will take all the assets at their book values.
 - (b) Ram Co. will take all the liabilities. It will redeem debentures at 10% premium by issuing 12% debentures.
 - (c) In exchange of 2 shares of Shyam Co.; Ram Co. will give its 3 shares. The price of each share of Ram Co. is Rs. 10 per share but it will discharge its purchase price by issuing shares at their market price of Rs. 12.

Balance Sheet of Shyam Co. Ltd. as at 31st Dec. 2017

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Authorized Capital: 10,000 Equity Shares Rs. 100 each	<u>10,00,000</u>	Building	5,00,000
Paid-up Capital: 4,000 Equity Shares fully paid	4,00,000	Machinery	9,00,000
10,000 8% Debentures	10,00,000	Furniture	1,00,000
Employees Provident Fund	1,00,000	Investment	40,000

Dividend Equalization Fund	30,000	Stock	1,00,000
Trade Creditors	70,000	Cash in hand	30,000
Bills Payable	20,000		
P & L Account	50,000		
Total	16,70,000	Total	16,70,000

Pass necessary Journal entries in the books of both the Companies.

Or

Write short notes on the following: (Any Two)

- (1) External Reconstruction
- (2) Amalgamation in the nature of Merger
- (3) Features and Objectives of Farm Accounting

Q.2 What do you mean by Human Resource Accounting (HRA)? Explain the advantages and disadvantages of HRA.

Or

Rakesh gives you the following information from which he asks you to ascertain his profit or loss for the year 2015-16.

Particulars	1st April, 2015	1st April, 2016
Bank Balances	2,000 (Cr.)	1,000 (Dr.)
Sundry Debtors	8,000	20,000
Sundry Creditors	4,000	5,000
Stock	3,000	4,000
Plant	5,000	5,000
Furniture	2,000	2,000

Rakesh had withdrawn Rs. 6,000 during the year and introduced fresh capital of Rs. 1,200 on 1st October, 2015. A provision of 5% on sundry debtors is necessary. Write off depreciation on Plant and Furniture at 5% p.a. Interest on capital is to be allowed at 5% per annum.

Q.3 From the following information calculate the amount of claim under loss of profit policy:

- (I) Indemnity Period: 5 months i.e. from 1.5.2013 to 30.09.2013
- (II) Insurance Policy: Rs.1,50,000

- (III) Turnover, Net Profit, Standing charges in the last financial accounting year (ended on 31st March, 2013) amounted to Rs. 8,00,000, Rs.48,000 and Rs. 1,00,000 respectively.
- (IV) Insured standing charges Rs.80,000.
- (V) Sales from 1st May, 2012 to 30th September, 2012 Rs.2,80,000.
- (VI) Sales from 1st May, 2013 to 30th September, 2013 Rs.1,08,000.
- (VII) Sales from 1st May, 2012 to 30th April, 2013 Rs.9,60,000.
- (VIII) There were upward trend of business by 10% every year.

Or

Write short notes on the following: (Any Two)

- (1) Inflation Accounting
- (2) Current Purchasing Power (CPP) Method
- (3) Current Cost Accounting (CCA) Method

Q.4 Write short notes on the following: (Any Two)

- (1) Government Accounting
- (2) Specimen of Bank's Profit and Loss account
- (3) Non –Performing Assets (NPA)

Or

From the following information prepare Revenue account related to fire insurance of United Insurance Company in the prescribed form for the year ending on 31st March, 2017:

Particulars	Amount (Rs.)
Claims Paid	1,25,000
Commission	1,00,000
Management Expenses	75,000
Reserve for Unexpired risks at 50% of net premium on 01/04/2016	1,35,000
Additional Reserve 01/04/2016	1,40,000
Premium less reinsurance	4,40,000
Claims outstanding 01/04/2016	5000
Claims outstanding 31/03/2017	3000

Additional reserve for unexpired risk is to be increased by 10% of the net premium income.

Balance Sheets of H Ltd. and S Ltd. on 31st Dec. 2015 were as under:

Q.5

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share Capital: Shares of Rs. 100 each	6,00,000	1,50,000	Buildings	1,80,000	-
Reserves	90,000	30,000	Machinery	6,00,000	-
P & L A/c. : Balance on 1.1.2015	1,20,000	60,000	Stock	1,20,000	2,55,000
Profit for 2015	1,50,000	75,000			
Creditors	1,50,000	90,000	Sundry Debtors	30,000	90,000
Bills Payable	45,000	-	Cash at Bank	30,000	30,000
			900 shares in S Ltd.	1,95,000	-
			Bills Receivable	-	30,000
Total	11,55,000	4,05,000		11,55,000	4,05,000

Additional Information:

- 1- Shares were acquired by H Ltd; on 1st July, 2015.
- 2- Bills Receivable held by S Ltd. are all drawn on H Ltd.
- 3- Included in the debtors of S Ltd. is Rs.18,000 owing by H Ltd. in respect of goods supplied.

Prepare Consolidated Balance Sheet.

Or

Write Short notes on the following (Any Two) :

- (I) Minority Interest
- (II) Inter Company Transactions
- (III) Cost of Control
