(i) Printed Pages : 7 Roll No. ....

(ii) Questions : 14 **Sub. Code : 1 2 6 2 5**

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Bachelor of Commerce (FYUP) 4th Semester

(2056)

ADVANCE ACCOUNTING

Paper : NBCM405

Time Allowed : 3 Hours] **[Maximum Marks : 80**

Note :— Attempt any **four** short answer type questions from Section A. Each question in this section carries **5** marks. Attempt any **two** essay type/numerical questions each from Section B and C respectively. Each question in these sections carries **15** marks.

SECTION—A

1. What is Alteration of Share Capital?
2. What do you mean by Investment Account? How is it prepared?
3. The profit of a company, limited by shares, for the year ended 31st March, 2024 were Rs. 60,00,000. After setting apart amounts for interest on borrowings, taxation and other provisions, the net surplus available to shareholders is estimated at Rs. 15,00,000. The Company's capital base consisted of:

   1,00,000 equity shares of Rs. 100 each, Rs. 50 per share paid up; and

   25,000 12% cumulative redeemable preference shares of Rs. 100 each, fully paid up.

Enquiries in the stock market reveal that shares of companies engaged in similar business and declaring a dividend of 15% on equity shares are quoted at a premium of 10%. What do you expect the market value of the company's shares to be, basing your working on the yield method?

4. On 1st July 2023, H Ltd. purchased 40,000 shares of Rs. 100 each of S Ltd. @ Rs. 175 per share. From the following figures given in Balance Sheet of S Ltd. as at 31st March, 2024, calculate cost of control and non-controlling interest:

	Rs.
Share Capital 50,000 shares of Rs. 100 each	50,00,000
General Reserve	20,00,000
Surplus Account	15,00,000
Balance in Surplus A/c on 1-4-2023	8,00,000

5. X purchased from Y a machine on Hire-Purchase System on 1st January 2024. Its hire-purchase price was Rs. 95,000 and cash price was Rs. 86,800. Rs. 5,000 was paid on delivery, Rs. 10,000 was paid after 4 months, Rs. 15,000 was paid after 6 months, Rs. 30,000 was paid after 9 months and Rs. 35,000 was paid after 12 months. The date of payment of each instalment is counted from the date of purchase of machinery. Calculate interest in each instalment and cash price portion included in each instalment.

6. On 31-12-2020, A Ltd. has 10,000 Equity shares of Rs. 10 each as authorised capital and the shares were all issued on which Rs. 8 was paid up. In June, 2021 the company in general meeting decided to subdivide each share into two shares of Rs. 5 each, Rs. 4 paid up. In June, 2022 the company in general meeting resolved to consolidate 20 shares of Rs. 5 each, Rs. 4 per share paid up into one share of Rs. 100 each, Rs. 80 paid up.

Pass Journal entries and show how share capital will appear in the Balance Sheet as on 31-12-2020, 31-12-2021 and 31-12-2022.

SECTION—B

7. The premises of a company were destroyed by fire on 15-6-2024. The records, however, were saved wherefrom the following particulars were available:

	Rs.
Stock at cost on 1-1-2023	30,000
Stock at cost on 31-12-2023	40,000
Purchases less returns for the year ended 31-12-2023	2,00,000
Sales less returns for the year ended 31-12-2023	2,50,000
Purchases less returns from 1-1-2024 to 15-6-2024	85,000
Sales less returns from 1-1-2024 to 15-6-2024	1,20,000

Rs. 2,500 has been written off certain stock, which was a poor selling line, while valuing the stock for Balance Sheet as at 31-12-2023. The cost of such stock was Rs. 4,000. A portion of this stock was sold in March 2024 at a loss of Rs. 500 on the original cost of Rs. 2,000. The balance of this stock was now estimated to be worth the original cost. Expecting the above, the Gross Profit has remained at a uniform rate throughout. The stock saved was Rs. 5,000. You are required to ascertain the amount of loss on stock which was to be claimed from the Insurance Company.

8. What do you understand by Hire-Purchase System? How does it differ from Instalment System from legal and accounting point of view?

9. What is valuation of shares? Explain and illustrate the various methods of valuation of shares.

10. The Balance Sheet of Gautham is as follows on 31-12-2024:

Liabilities	(Rs.)	Assets	(Rs.)
Capital	10,00,000	Property, Plant and Equipment	8,00,000
General Reserve	4,00,000	Investments (6% Govt. Loan)	2,00,000
Surplus A/c	2,00,000	Current Assets	8,00,000
Current Liabilities	2,00,000		
	18,00,000		18,00,000

Net Profit after taxation 2022 Rs. 2,60,000, 2023 Rs. 2,50,000 and 2024 Rs. 3,00,000. The Goodwill may be taken as 4 years' purchase of average super profits. Normal return on average capital employed is 15%. The current assets are to be taken as Rs. 8,40,000. Ascertain the value of goodwill.

SECTION—C

11. Following are the ledger balances of X Co. Ltd. as on 31st March, 2024:

Cr. Balances	(Rs.)	Dr. Balances	(Rs.)
Share Capital (12,000 shares of Rs. 10 each fully paid)	1,20,000	Land & Buildings	90,000
		Machinery	50,000
Sundry Creditors	30,000	Stock	17,000
Bank Overdraft	28,000	Sundry Debtors	20,000
		Commission on Shares Account	1,000
	1,78,000		1,78,000

The company went into voluntary liquidation and the assets were sold to Y Co. Ltd. for Rs. 1,50,000 payable as to Rs. 60,000 in cash (which sufficed to discharge creditors and Bank Overdraft and pay the winding expenses of Rs. 2,000) and as to Rs. 90,000 by the allotment of 12,000 shares of Rs. 10 each of Y Co. Ltd, Rs. 7.50 per share paid up, to the shareholders of X Co. Ltd.

Draw up the Journal Entries for recording these transactions in the books of X Co. Ltd. and Y Co. Ltd.

12. What is Capital Reduction? Discuss the procedure of the Internal Reconstruction. Explain with the imaginary figures the necessary journal entries.

13. What is Consolidated Balance Sheet? How is it prepared?

14. A company went into liquidation. Prepare Liquidator's Statement allowing his remuneration 3% on amount realised from Assets and 2% on amount paid to Unsecured Creditors.

Share Capital consisted of:

2,000 Preference Shares of Rs. 100 each fully paid.

30,000 Equity Shares of Rs. 10 each fully paid

4,000 Equity Shares of Rs. 10 each, Rs. 8 paid

Assets realised Rs. 3,08,000 excluding amount realised by sale of securities held by the secured creditors.

Secured Creditors (Security realised Rs. 54,000) Rs. 46,000; Unsecured Creditors Rs. 2,83,698; Preferential Creditors Rs. 8,000: Debentures having a floating charge on the Assets Rs. 1,00,000; Expenses of liquidation Rs. 3,000. A call of Rs. 2 per share on partly paid-up shares was made and duly paid except on 400 shares.