

Subject : Advanced Accounting - III

Day : Friday

Date : 07/10/2016

S.D.E.

Time : 3.00 P.M. TO 6.00 P.M.

Max Marks : 80 Total Pages : 4

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Answer to both the sections should be written in **SAME** answer book.

SECTION-I

Q.1 The Balance Sheet of A Ltd. discloses the following position as on 31. 03. 2016. **(16)**

Liabilities	Rs.	Assets	Rs.	Rs.
<u>Paid –up- Capital:</u>		Goodwill at cost		30,000
30,000 equity shares of Rs. 10 each fully paid	3,00,000	Land & Building at cost <u>Less:</u> Depreciation		1,75,000
Capital Reserve	60,000	Plant & Machinery <u>Less:</u> Depreciation		90,000
Sundry Creditors	71,000	Stock at- cost		1,15,000
Provision for Taxation	55,000	Book – debts <u>Less:</u> Provision for Doubtful	98,000 3,000	
Profit & Loss A/c	26,000	Debts		95,000
		Cash at Bank		7,000
Total	5,12,000	Total		5,12,000

You are asked to value the Goodwill of the company for which purpose the following information is supplied.

- a) The reasonable return on capital investment in the class of business done by company is 12%.
- b) Adequate provision has been made in accounts for income tax and Deprecation.
- c) The rate of tax may be taken at 50%.
- d) The average rate of dividend declared by the company for the past five years was 15%.

OR

Q.1 What are the various factors affecting the value of the shares? Explain the various methods of Valuation of Shares. **(16)**

P. T. O.

Q.2 A keeps his books by Single Entry. On 1.4.2015 his capital was Rs. 6,90,000/- (16)
Analysis of his cash book for the year 2015-16 give the following particulars:

		Rs.
Debit Side:		
Received from Sundry Debtors		6,00,000
Cash introduced in business as capital during the year		50,000
Credit Side:		
Bank Overdraft		74,000
Payment to Sundry Creditors		2,50,000
General Expenses of Business		1,00,000
Salaries		1,55,000
Drawings		30,000
Balance at bank 31. 3. 2016		40,000
Balance in hand		1,000
Assets and Liabilities were:	1. 4. 2015	31. 3. 2016
	Rs.	Rs
Debtors	5,30,000	8,80,000
Creditors	1,50,000	1,95,000
Stock	1,70,000	1,90,000
Plant & Machinery	2,00,000	2,00,000
Furniture and Fixtures	14,000	14,000

From the above information prepare the Profit & Loss A/c and the Balance Sheet of A' after providing 5% interest on opening capital, 10% depreciation on plant, 5% depreciation on furniture and reserve of 5% on Sundry Debtors.

OR

Q.2 What is Human Resource Accounting? State the objectives of Human Resource Accounting. What are the different methods used for Measurement and Valuation of Human Efforts? (16)

SECTION-II

- Q.3** From the following Trial Balance as on 31st March, 2016, prepare the combined (16)
Balance Sheet and show the Branch Current Account as it would appear in
Head Office books:

Dr.			Cr.		
	Head Office	Branch		Head Office	Branch
	Rs.	Rs.		Rs.	Rs.
Free Hold Premises at cost	8,00,000	4,00,000	Share Capital	20,00,000	
Furniture at cost		40,000	P & L Account on 1. 4. 2015	2,71,500	
Less depreciation	80,000				
Stocks	9,00,000	1,80,000	Net profit for 2015-16	8,41,500	3,48,400
Sundry Debtors	8,00,000	65,000	Creditors	6,32,000	-
Branch Current A/C on 1. 4. 2015	7,29,800	-	Goods from Head Office	-	7,00,000
Goods Sent to Branch	7,20,000	-	Cash received from Branch	9,98,700	-
Cash remitted to Head Office	-	10,28,700	Head Office Current Account on 1. 4. 2015	-	7,29,800
Cash at Bank	7,13,900	64,500			
	47,43,700	17,78,200		47,43,700	17,78,200

On 31st March, 2016 the branch remitted cash Rs. 30,000 to the head office where it was received on 2nd April, 2016 and goods to the value of Rs. 20,000 dispatched from Head Office to branch on 31st March, 2016 were not received at the branch till 1st April, 2016.

OR

- Q.3** What is Foreign Branch? Explain the rules for recording the transactions with Branches in Head Office Books? (16)

- Q.4** Ram Ltd. Issued 4,00,000 shares which were underwritten as follows: (16)

A	2,40,000 Shares
B	1,00,000 Shares
C	60,000 Shares

The underwriters made applications for firm underwriting as under:

A	32,000 Shares
B	12,000 Shares
C	40,000 Shares

The total subscriptions excluding firm underwriting but including marked applications were for 2,00,00 shares.

The marked applications were as under:

A	40,000 Shares
B	80,000 Shares
C	20,000 Shares

You are required to prepare the statement of liabilities of underwriters:

OR

P.T.O.

Q.4 What are the Objectives and Importance of International Accounting Standard? **(16)**
State the scope for application of International Accounting Standard.

Q.5 Write short notes on (Any **TWO**): **(16)**

- a) Returnable Packages
- b) Packages Stock Account
- c) Firm Underwriting
- d) Independent Branch

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