

(i) Printed Pages : 8]

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(ii) Questions : 14]

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**Bachelor of Commerce 4th Semester  
Examination**

**1047**

**ADVANCE ACCOUNTING**

**Paper : BCM-402**

**Time : 3 Hours]**

**[Max. Marks : 80**

*Note* :- Attempt any *four* questions from Section-A. Each carries **5** marks. Attempt any *two* questions each from Section-B and Section-C. Each carries **15** marks.

**Section-A**

5 each

1. Write a note on super profits.
2. Explain under what circumstances a company is wound up ?
3. From the data given below calculate the goodwill of the company by the capitalisation method :
  - (a) Normal rate of return applicable to the class of business carried on by company 10%.

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( 1 )

Turn Over

- (b) Adjusted average profits of the preceding 5 years Rs. 30,000.
- (c) Net assets employed in the company Rs. 2,00,000.
4. H. Ltd. acquired the shares of S. Ltd. on 31<sup>st</sup> March, 2016. You are required to prepare consolidated balance sheet as on 31<sup>st</sup> March, 2016 from the following balance sheets.

**Balance Sheets**  
**As on 31<sup>st</sup> March, 2016**

	H. Ltd.	S. Ltd.		H. Ltd.	S. Ltd.
	Rs.	Rs.		Rs.	Rs.
Share Capital in Re. 1 fully paid shares	15,000	6,000	Sundry Assets	20,000	12,000
Reserves	3,000	2,000	<b>Investments :</b>		
Profit & Loss A/c	2,000	1,000	6000 shares in S. Ltd.	10,000	-
Sundry Liabilities	10,000	3,000			
	<b>30,000</b>	<b>12,000</b>		<b>30,000</b>	<b>12,000</b>

5. From the following particulars ascertain the amount of claim to be lodged in case of loss of stock which was insured :

**Date of fire accident April 24, 2016**

Stock as on 1.1.2016

Purchases from 1.1.2016 to the date of fire

**Rs.**

1,25,000

5,00,000

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Wages	1,00,000
Manufacturing Expenses	50,000
Sales from 1.1.2016 to date of fire	7,50,000
Rate of gross profit on sales is 15%	

6. Patel of Patna purchased 10% debentures of nominal value of Rs. 24,000 at Rs. 96 on March 31<sup>st</sup>, 2015. Interest is payable on the debentures half-yearly on June 30 and December 31. Calculate the total purchase price and show its allocation to principal and interest when quotation is :
- Ex-interest
  - Cum-interest.

**Section-B**

15 each

- What do you understand by valuation of shares ? Explain the important methods of valuation of shares.
- What do you understand by Investment Account ? How it is prepared ? Explain the term "Cum-Interest" and "Ex-Interest" in relation to such account with the help of suitable examples.
- National Sales Corporation has a hire-purchase department. Goods are sold on hire purchase at cost plus 25%. From the following particulars, prepare ledger accounts according to Stock and Debtor System.

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Turn Over

	Rs.
Stock with hire-purchase Customer at Selling Price on 1.4.2015	15,000
Instalment Due (Customer paying) on 1.04.2015	1,800
Hire-purchase Sales (at selling price) during the year 2015-16	96,500
Cash received during the year	98,300
Goods repossessed (instalment due Rs. 2,000) valued at	1,700
Instalment due (customer paying) on 31.03.2016	1,100

10. On 20<sup>th</sup> July, 2016, a fire broke out in the business premises of Rajan. Some records were saved from which the following information is gathered :

	Rs.
Stock on 1 <sup>st</sup> April, 2015	1,00,000
Stock at 10% below cost as on 31 <sup>st</sup> March, 2016	1,08,000
Purchase of goods from 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	4,20,000
Sales for 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	6,00,000

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Purchases less returns from 1 <sup>st</sup> April, 2016 to 20 <sup>th</sup> July, 2016	1,40,000
Sales less returns from 1 <sup>st</sup> April, 2016 to 20 <sup>th</sup> July, 2016	3,10,000

Sales upto 20<sup>th</sup> July, 2016 included Rs. 40,000 for which goods had not been despatched. Purchases up to 20<sup>th</sup> July, 2016 did not include Rs. 20,000 for which invoice had not been received from suppliers, though goods have been received at the godown. Goods salvaged from accident were worth Rs. 12,000 and these were handed over to the insured. Ascertain the value of the claim for the loss of stock which could be preferred on the insurer.

**Section-C**

15 each

11. What is purchase consideration ? Explain the various methods of calculating purchase consideration with the help of examples.
12. What do you understand by Internal Reconstruction ? State in brief, essential conditions for Internal Reconstruction.
13. Dodge Ltd. went into liquidation and following details are available :
  - (a) 20,000 10% Pref. Shares of Rs. 10 each (fully paid)
  - (b) 2,000 Equity Shares of Rs. 100 each (Rs. 75 paid up)

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Turn Over

(c) 1,600 Equity Shares of Rs. 100 each  
(Rs. 60 paid up)

(d) 1,400 Equity Shares of Rs. 100 each  
(Rs. 50 paid up)

Assets including machinery realised Rs. 4,40,000. Liquidation expenses Rs. 15,000. The company had borrowed a loan of Rs. 70,000 against mortgage of machinery which realised Rs. 1,00,500. Salaries for 4 clerks of 4 months @Rs. 300 per month and of 4 peons for 3 months @Rs. 150 per month are outstanding. Other creditors are Rs. 87,400. Prepare Liquidator's statement of account.

14. The Balance Sheets of two companies are as follows :

Particulars	A. Ltd. Rs.	B. Ltd. Rs.
I. Equities and Liabilities		
(I) Shareholder's Funds		
(a) Share Capital :		
Nominal Capital :		
Shares of Rs. 10 each	5,00,000	10,00,000
Issued and Subscribed Capital :		
Shares of Rs. 10 each	5,00,000	7,00,000

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(b) Reserve and Surplus		
(2) Statement of Profit & Loss	(1,50,000)	1,50,000
Non-Current Liabilities		
(a) Long term borrowings :		
5% Debentures	1,00,000	
Current Liabilities		
(a) Trade Payables		
Creditors	3,00,000	2,00,000
<b>TOTAL</b>	<b>7,50,000</b>	<b>10,50,000</b>
II. Assets		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets :		
Fixed Assets	3,00,000	5,00,000
(ii) Intangible Assets :		
Goodwill	1,00,000	3,50,000
(2) Current Assets		
(a) Inventories :		
Stock	2,00,000	50,000

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Turn Over

(b) Trade		
Receivables :		
Debtors	1,50,000	50,000
(c) Cash and Cash		
Equivalents :		
Cash at Bank	-	1,00,000
<b>TOTAL</b>	<b>7,50,000</b>	<b>10,50,000</b>

B. Ltd. agreed to absorb A. Ltd. upon the following terms :

- (a) The shares in A. Ltd. are to be considered as worth Rs. 6 each (of which the shareholders are to be paid one quarter in cash and the balance in shares in B. Ltd.) and the shares in B. Ltd. at Rs. 12.50 each.
- (b) The debenture holders in A. Ltd. agreed to take Rs. 95 of 5% debentures in B. Ltd., for every Rs. 100 of 5% held in A. Ltd.
- (c) A. Ltd. is to be wound up.

Show the journal entries necessary to record the above in the books of both companies.