

Faculty of Commerce

B.Com. II-Year, CBCS - III Semester Backlog Examinations -January, 2021

(For All Streams of B.Com)

PAPER: ADVANCED ACCOUNTING

Time: 2 Hours

Max Marks: 80

(5x16=80 Marks)

I. Answer any **FIVE** of the following questions

1. Define the meaning of following?
 1. New Profit Sharing Ratio
 2. Sacrificing Ratio
 3. Gaining Ratio
 4. Capital Account
 5. Joint Life Policy

2. X, Y and Z are partners sharing profit in the ratio 1 : 2 : 3. X retires from the partnership.
In order to settle his claim, the following revaluation of assets and liabilities was agreed upon:
 - (i) The value of Machinery is increased by 15,000.
 - (ii) The value of Investment is increased by 2,000.
 - (iii) A provision for outstanding payment standing in the books at 1,000 is now not required.
 - (iv) The value of Land and Building is decreased by 12,000.

Give journal entries and prepare Revaluation account.

3. What is dissolution? Explain the types of dissolutions? Under what circumstances firm may dissolve?

4. The following is the Balance sheet of A, B and C on December 31, 2007

LIABILITES	AMOUNT (Rs)	ASSETS	AMOUNT (Rs)
Creditors	20000	cash	6000
reserve	15000	Stock	20000
A s capital 25000 B s capital 15000	40000	debtors	10000
		Plant	20000
		bills receivable	10000
		C s capital overdrawn	9000
TOTAL	75000	TOTAL	75000

C is

insolvent but his estate pays 2,000. It is decided to wind up the partnership.

The assets realized as follows:

Sundry Debtors Rs.7,500

Bills Receivable Rs.7,000

Stock Rs.16,000

Plant & Tools Rs.14,000

The cost of winding up came to Rs.2,500

Give accounts to close the books of the firm taking the capitals as fixed.

5. Define Bonus shares? When they issued? Explain the sources from which they are issued? Explain guidelines issued by SEBI?

6. V Ltd. Issued Rs.20,000 Equity shares of @ Rs.10 each at a premium of @ Rs.3 payable as follows:
 On Application @4
 On Allotment @5 (including Securities Premium Reserve)
 On First Call @2
 On Final Call @2
 All shares were duly subscribed and all money duly received.
 Pass necessary Journal Entries.

7. Write A Short Note On:
 1. Miscellaneous Expenditure
 2. Provision For Tax
 3. Corporate Dividend Tax
 4. True And Fair View

8. Moon Ltd., which was incorporated on 1st June 2019, took over the business of N, a proprietary concern, from 1st January 2019, for Rs.1,00,000 on condition that all profits earned from 1.1.2019 shall belong to the company. Following are the data for Profit and Loss Account for the year ended 31st December 2019:

Gross Profit Rs.2,00,000; Salaries and Bonus Rs.15,000; Rent Rs.1,000; Bad Debts Rs.5,000; Preliminary Expenses Rs.9,000; Commission on Sales Rs.12,000; Directors' fees Rs.3,000; Managing Directors' Remuneration Rs.14,600; Establishment Charges Rs.21,000; Depreciation Rs.10,000; and Advertisement Rs.27,000.

- (i). Sales for first six months amounted to Rs. 10,00,000; rate of gross profit being 12% on sales.
 (ii). In the second six months, rate of gross profit was 8% on sales.
 (iii). Commission on sales was at 6% throughout the year.
 (iv) Advertisement for the first six months was at the rate of Rs.4,000 per month.

Prepare a Statement of Profit Account for pre-incorporation and post-incorporation periods in columnar form stating against each item the basis of segregation.

9. What is goodwill? Explain the factors influencing goodwill.

10. From the following information find the value of each share. Balance sheet of X co. Ltd.
 For the purpose of valuation of shares, goodwill will be taken three years of purchase of the average profit of last five years. The profit for last five years are Rs.60,000, Rs.70,000, Rs.40,000, Rs.30,000 and Rs.50,000.

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I. ఈ క్రింది ఏనైనా ఐదు ప్రశ్నలకు సమాధానములు వ్రాయండి. (5x16=80 Marks)

1. ఈ క్రింది అంశాలను నిర్వచించండి.

- (i) నూతన లాభ నష్టాల నిష్పత్తి
- (ii) త్యాగ నిష్పత్తి
- (iii) పొందిన నిష్పత్తి
- (iv) మూలదన ఖాతా
- (v) ఉమ్మడి జీవిత భీమా

2. X, Y మరియు Z భాగస్వాములు వారి వాటాలు 1:2:3, విరి భాగస్వామ్యం నుండి 'X' విరమణ (Retire)

తీసుకోవడం జరిగింది. ఈ క్రింది విధంగా యాజమాన్య హక్కును నిర్ణయించడం జరిగింది. వీటికి సరిపడ
 సర్దుబాట్లు ఏర్పాటు చేయడం జరిగింది.

- (i) యంత్రాల విలువ రూ.15,000 లకు పెరగడం జరిగింది.
- (ii) పెట్టుబడులు (Investments) విలువ రూ.2,000 పెరగడం జరిగింది.
- (iii) చెల్లించాల్సిన బిల్లు రూ.1,000 తగ్గించడం జరిగింది.
- (iv) భూమి మరియు భవనాల విలువ తగ్గడం జరిగింది. రూ.12,000.

పై సమాచారం ఆధారంగా సరియైన చిట్టాపట్టులు వ్రాసి, పునర్మూల్యాంకన ఖాతాను తయారు చేయండి.

3. భాగస్వామ్య సంస్థ రద్దును నిర్వచించి? ఇందులో రకాలను తెలిపి రద్దుకు గల కారణాలను వివరించండి.

4. A, B, C ల 31 డిసెంబర్ 2007 నాటికి ఆస్తి అప్పుల పట్టి.

అప్పులు	రూ.	ఆస్తులు	రూ.
రుణదాతలు	20,000	నగదు	6,000
నిధులు (రిజర్వులు)	15,000	సరుకు	20,000
మూలదనం		ఋణగ్రస్తులు	10,000
A - 25,000	40,000	యంత్రం	20,000
B - 15,000		వసూలు కాని రావల్సిన బిల్లులు	10,000
		మూలదనం	9,000
	75,000		75,000

C దినాల తీయగా అతని సొంత వస్టేజ్ నుండి 2000 పరిష్కారం నిమిత్తం వచ్చింది. మిగిలిన భాగస్వాములు

రద్దుకు ఈ క్రింది విధంగా నిర్ణయించడం జరిగింది.

ఆస్తులను ఈ క్రింది విధంగా పరిష్కరించడం జరిగింది.

ఋణగ్రస్తులు	-	7,500
వసూలు కాని బిల్లులు	-	7,000

సరుకు	-	16,000
యంత్రం	-	14,000

సంస్థా రద్దు వ్యయం 2,500 గా గుర్తించడం జరిగింది. అవసరమై ఆవర్ణ ఖాతాలను తయారు చేయండి.

5. అదనపు వాటాల జారీని నిర్వచించండి. ఎయ్ వనరుల నుండి అదనపు వాటాలను జారీ చేయడం జరుగుతుంది. SEBI మార్గదర్శకాలను తెలుపండి.
6. V.Ltd - V కంపెనీ లిమిటెడ్ 20,000 వాటాలను జారీ చేయడం జరిగింది. ఒక్క వాటా విలువ @ రూ.10 ప్రీమియం, @ రూ.3. వాటాల మూల్యంకనం క్రింది విధంగా పేర్కొనడం జరిగింది.
 - దరఖాస్తు పై @ రూ.4
 - కేటాయింపుపై @ రూ.5 (3/- ప్రీమియం)
 - మొదటి పిలుపుపై @ `2
 జారీ చేసిన వాటాల మొత్తం వసూలు కావడం జరిగింది. అవసరమైన చిట్టాపద్దులు వ్రాయండి.
7. క్రింది అంశాలను సంక్షిప్తంగా వ్రాయండి.
 - (i) మిసెనిలియజా / ఇతర ఖర్చులు
 - (ii) పన్ను కోసం ఏర్పాటు
 - (iii) కార్పొరేట్ డివిడెంట్ పన్ను
 - (iv) నిజమైన మరియు సరసమైన విక్షణ (True & Fair view)
8. M Ltd M-కంపెనీ లిమిటెడ్ 1-06-2019 నాడు స్థాపించడం జరిగింది. N Ltd అనే మరో కంపెనీని 1-01-2019 నాడు షరతులతో తీసుకోవడం జరిగింది. 01-01-2019 నుండి లాభ నష్టాలను కంపెనీకి చెందుతాయి అని పేర్కొనడం జరిగింది.

31-02-2019 నాటికి వారి లాభనష్టాల పట్టి క్రింది విధంగా ఉంది.

స్థూల లాభం	రూ. 2,00,000
జీతాలు, బోనస్	రూ. 15,000
అద్దె	రూ. 1,000
రాని బాకీలు	రూ.5,000
ప్రీలిమినరీ ఖర్చులు	రూ. 9,000
అమ్మకాలపై కమీషన్	రూ. 12,000
	(@ 6%)
డైరెక్టర్ల రుసుము	రూ. 3,000
మేనేజింగ్ డైరెక్టర్ల రుసుము	రూ. 14,600
సంస్థాపన ఖర్చులు	రూ. 21,000
తరుగుదల	రూ. 10,000
ప్రకటన ఖర్చులు	రూ. 27,000

- (a) అమ్మకాలు మొదటి ఆరు నెలలు రూ. 10,00,000, స్థూల లాభం @12% అమ్మకాలపై
- (b) తరువాత ఆరు నెలలు అమ్మకాలపై స్థూల లాభ శాతం @8%
- (c) అమ్మకాలపై కమీషన్ @6% సంవత్సర మొత్తం
- (d) ప్రకటన ఖర్చులు మొదటి ఆరు నెలలు - నెలకు రూ. 4,000

పై సమాచారం ఆధారంగా సంస్థాపన పూర్వం, సంస్థాపన అనంతరం లాభనష్టాల పట్టికను వేరు వేరుగా లెక్కించండి.

9. గుడ్ విల్ ని నిర్వచించి? గుడ్ విల్ ని ప్రభావితం చేసే అంశాలను వివరించండి.

10. ఈ క్రింది సమాచారం X Ltd ఆస్తి అప్పుల పట్టికను ఉపయోగించి వాటా విలువను లెక్కించండి.

అప్పులు	రూ.	ఆస్తులు	రూ.
వాటా మూలదనం 20,000 @ రూ.10 ఒక్కొక్కటి	2,00,000	గుడ్ విల్	1,90,000
రిజర్వులు	1,50,000	పట్టుబడులు	2,00,000
లాభ, నష్టాలు ఖాతా	30,000	ప్రస్తుత ఆస్తులు	50,000
రుణం	80,000	అప్పులు మరియు అడ్వాన్సులు	30,000
ప్రస్తుత అప్పులు	20,000	మిసిలినియం ఖర్చులు	10,000
	5,80,000		5,80,000

పై సమాచారం ఆధారంగా వాటాల విలువను లెక్కించండి. గుడ్ విల్ 3 సంవత్సరం కొనుగోలు ఆధారంగా సగటు ఐదు సంవత్సరం లాభం ఆధారంగా లెక్కించండి. లాభాలు ఈ క్రింది విధంగా ఉన్నాయి. రూ.60,000, రూ.70,000, రూ.40,000, రూ.30,000, రూ.50,000.

Faculty of Commerce**B.Com. II-Year, CBCS - III Semester Backlog Examinations –June/July, 2022**

(For All Streams of B.Com)

PAPER: Advanced Accounting

Time: 3 Hours

Max Marks: 80

Section-AI. Answer any *five* of the following (5x4=20 Marks)

- Provisions of Partnership Act when deed is silent
- Distinguish between Revaluation Account & Memorandum Revaluation Account.
- What is forfeiture of shares? Explain Re-issue of forfeited shares.
- What do you mean by Bonus Shares?
- Earning Capacity Method
- A and B are two partners sharing profits in the ratio of 3:2 . They admit a new partner C. The new ratio being 2:2:1 for A,B,C. C brings Rs.30,000 as capital and Rs.15,000 as goodwill. Pass necessary journal entries.
- From the following particulars relating to the business of Mr. Ram , compute the value of goodwill on the basis of 3 years purchase of super profits taking average at last four years

Capital employed	Rs. 50,000
Normal rate of return'	10% p.a
Trade results:	
2017	Rs. 15,000 (profit)
2018	Rs. 18,000 (profit)
2019	Rs. 2,000(loss)
2020	Rs. 22,000 (profit)

- What do you mean by Debentures? Write the characteristics of debentures.

Section-B

II. Answer the following questions (5x12=60 Marks)

- (a) How is Goodwill determined? Write its accounting procedure.

(OR)

(b) A & B were carrying on a business styled AB & Co. as equal partners. It was agreed that 'A' should retire from the firm on 31st March 2019 and his son 'C' should join from 1st April, 2019 and that he should be entitled to 1/3 of the profits. Balance sheet as on 31st March 2019 was as follows-

A's capital	34,000	Cash at bank	11,000
B's capital	28,200	Sundry Debtors	16,100
Sundry Liabilities	9,800	Furniture	14,200
		Buildings	20,700
		Goodwill	10,000
	<hr/>		<hr/>
	72,000		72,000

On 31st March 2019 goodwill was valued at Rs.22,000 and buidings at Rs. 24,000. It was also agreed that enough money should be introduced to enable 'A' to be paid out and leave Rs.10,000 by way of working capital. B and C were to provide such sums as would make their capital proportionate to their share of profits. 'A' agreed to make friendly loan to 'C' by transfer from his capital

account half the amount which 'C' had to provide. Assuming the amount due to 'A' was paid out on 1-4-2019. Prepare necessary accounts.

10.(a) Explain Garner Vs Murray Case.

(OR)

(b) A,B,C are in partnership sharing profits and losses 3:2:1 respectively. The State of affairs on the date of dissolution was as follows-

Liabilities	Amount	Assets	Amount
Sundry Creditors	38,500	Cash in hand	9,860
A' Loan account	2,750	Sundry Debtors	30,560
Capital accounts		Stock	18,440
A-	15,200	Furniture	7,200
B-	11,200	C's Capital account	1,590
	<u>67,650</u>		<u>67,650</u>

The assets realized Stock-Rs.13,840, Furniture-Rs.5,150 and debtors-Rs.29,200. The creditors were paid less discount amounting to Rs.250, C is insolvent and is unable to bring anything. The expenses of winding up were Rs.520. Prepare Realization Account, Bank account and Capital accounts of the partners as per decision given in Garner vs Murray case.

11.(a) Distinguish between equity shares and preference shares.

(OR)

(b) Shrihari Co. Ltd offered 2000 equity shares of Rs.100 each at par to the public. The payment was as follows-

On application	- Rs. 20
On allotment	- Rs. 35
On first call	- Rs. 30
On final call	- Rs. 15

Applications received for Rs.2,500 shares and the shares were allotted on pro-rata basis. An applicant Venkat who was allotted 50 shares failed to pay 1st call amount. An applicant Shiva who was allotted 200 shares failed to pay final call amount. Pass necessary entries and prepare Balance Sheet in the books of Shrihari Co. Ltd.

12.(a) What are the general instructions to be kept in mind for the preparation of Company Balance Sheet and Profit & Loss account?

(OR)

(b) The following is the Trial Balance of Akhil & Co. as on 31-12-2019. Prepare Profit & Loss account and Balance sheet of the company.

	Debit	Credit
Stock (1-1-2019)	7,500	
Sales		35,000
Purchases	24,500	
Wages	5,000	
Discounts	700	500
Salaries	750	
Rent	495	
General Expenses(including insurance)	1,705	
P & L account (1-1-2019)		1503
Dividend Paid	900	

Capital – 100 equity shares of Rs 10 each		10,000
Debtors & Creditors	3,750	1,750
Machinery	2,900	
Cash in Hand	1,620	1,550
Reserves		
Bad debts	483	
	<u>50,303</u>	<u>50,303</u>

Additional Information-

- (a) Stock (31-12-2019) – Rs. 8,200
- (b) Depreciate Machinery by 10 % P.a.
- (c) Provide 5 % as discount on debtors
- (d) Allow 2 ½ % discount on creditors
- (e) One month rent at the rate of Rs. 540 per annum was due on 31-12-2019.
- (f) Six months insurance was unexpired at Rs. 75 per annum.
- (g) Provide Managing Director's Commission at 15 % on the net profits before deducting his commission.

13.(a) What is meant by Valuation of Shares? Explain the circumstances necessitating of Valuation of shares and the factors affecting the valuation of shares.

(OR)

- (b) The following particulars are available in relation to a company-
- Capital 450, 6 % preference shares of Rs. 100 each fully paid. 4500 equity shares of Rs. 10 each fully paid
 - External Liabilities Rs. 7,500
 - Reserves and Surplus Rs. 3,500
 - The average normal profit (after taxation) earned every year by the company Rs. 8,505.
 - The normal profit earned on the market value of equity shares fully paid, of the same type of companies is 9 %.
- Calculate the value of each type of shares by
- (a) The asset backing method assuming that the total assets worth Rs 350 are fictitious and
 - (b) The earning capacity method

Faculty of Commerce

B.Com. II-Year, CBCS - III Semester Backlog Examinations –June, 2023

(For All Streams of B.Com)

PAPER: Advanced Accounting

Time: 3 Hours

Max Marks: 80

Section-A

I. Answer any *five* of the following questions (5x4=20 Marks)

1. What are the contents of Partnership deed?
2. What is the journal entry to be passed for transferring the amount due to retiring partner?
3. What are the merits of book building?
4. What do you mean by Profit Prior to Incorporation?
5. Give any four valid factors that affect the value of shares.
6. Shiva and Rama are sharing profits and losses in the ratio of 5:3. Vishnu is admitted with $\frac{3}{8}$ share of which he obtained $\frac{2}{8}$ from shiva and $\frac{1}{8}$ from Rama. Find the new profit sharing ratio of shiva. Rama and Vishnu and sacrificing.
7. From the following Particulars pertaining to Suraj Co.Ltd. Prepare Profit and Loss statement for the year ended 31-3-2022.

	Rs.
Cost of Materials consumed	1,20,000
Revenue from operation	3,57,000
Other Income	23,000
Employee Benefit Expenses	85,000
Finance Cost	37,000
Depreciation	18,000

Provision for taxation 50% of Taxable Income.

8. "A" Company limited Equity Capital Comprises:
10,000 Equity Shares of Rs.100 each fully paid
10,000 Equity Shares of Rs.100 each Rs.75 paid
The net value of the assets is Rs.50 lakhs. Compute the intrinsic value of Equity Shares.

Section-B

II. Answer the following questions (5x12=60 Marks)

9. (a) Explain the accounting procedure to be followed on retirement/death of a partner.

(OR)

(b) The following is the Balance Sheet of P, Q and R on 31st December, 2020 the partners sharing profits in the ratio of 5:3:2.

Liabilities	Rs.	Assets	Rs.
Creditors	30,000	Cash at Bank	6,000
Bills Payable	7,000	Sundry Debtors=20000 (-) provisions for doubtful =1,000 =====	19,000
Loan from P	30,000	Stock	30,000
General Reserve	15,000	Investments	10,000
P=30,000 Q=25,000 R=15,000 =====	70,000	Fixtures	2,000
		Plant	35,000

		Freehold Property	50,000
	1,52,000		1,52,000

The partnership was dissolved, and the assets realized the following amounts: Stock and Investment realized 10 per cent less than the book value: Debtors realized Rs.17,500 and plant Rs.30,000. Freehold property was sold for Rs.85,000 at a discount of 5 percent. Q agreed to pay the bills payable. Expenses of realization amounted to Rs.1,000.

Pass journal entries to give effect to the above and show necessary ledger accounts.

- 10.(a) List out the circumstances in which dissolution of a firm take place. Explain the journal entries with respect to realization account on dissolution of firm.

(OR)

(b) A, B and C share profits in the ratio 5:3:2. They have decided to sell their firm to X limited company on 1st January, 2020. Their Balance Sheet on that date was under.

Liabilities	Rs.	Assets	Rs.
Creditors	12,000	Cash	2,000
Capital: A=20,000 B=15,000 C=13,000	48,000	Stock	13,000
		Debtors	15,000
		Machinery	12,000
		Land & Buildings	18,000
	60,000		60,000

Purchase consideration agreed upon was Rs.50,000. Of this the company has paid Rs.32,000 in its own shares and the balance in cash. Dissolution expense amount Rs.500 prepare necessary ledger accounts.

- 11.(a) In What situations are Bonus Shares issued? Explain the guidelines issued by SEBI for issue of Bonus Shares.

(OR)

(b) Shiva Co.Ltd offered to the public 20,000 equity shares of Rs.100 each at a premium of Rs.5 per share. The payment was to be as follows:

On Application	Rs.20
On Allotment	Rs.35
On First Call	Rs.25
On Second Call	Rs.25

Applications are received for 35,000 shares; application for 10,000 shares were rejected; application for 15,000 shares were allotted 10,000 shares and the remaining applications were accepted in full. The directors made both calls. One shareholder holding 500 shares failed to pay the two calls as consequence his shares were forfeited and reissued as fully paid at Rs.80 per share. Journalize the above transactions on the basis of given information.

- 12.(a) Give the General Instructions for Preparation of Company Financial Statements.

(OR)

(b) From the following particulars furnished by Supriya Company Limited prepare a Balance Sheet as at March 31st, 2020.

	Debit	Credit
Share Capital(10,000 Equity shares of Rs.100 each)		10,00,000
Calls in Arrears	1,000	
Land	2,00,000	
Buildings	3,50,000	
Plant and Machinery W.D.V	5,25,000	
Furniture W.D.V	50,000	

General Reserve		2,10,000
Loans from Banks		1,50,000
Stock:		
Finished Goods:1,75,000		
(+)Raw Material:75,000		
=====	2,50,000	
Sundry Debtors	2,00,000	
Advance (short term)	42,700	
Profit after Provision for tax		1,46,700
Cash Balance	30,000	
Cash at Bank	2,47,000	
Loans(Unsecured)		1,21,000
Sundry Creditors		2,00,000
Provision for taxation		68,000
	18,95,700	18,95,700

13.(a) Explain the circumstances under which valuation of shares is essential and discuss the various methods of valuation of shares.

(OR)

(b) The following particulars are available in respect of the business carried on by Mr. Sugunakar

(i) Average Capital Employed- Rs.50,000

(ii) Trading Results: 2002 Profit- Rs.12,200

2003 Profit - Rs.15,000

2004 Profit - Rs.2, 000

2005 Profit- Rs.21,000

(iii) Market rate of interest on capital invested in business 8% p.a.

(iv) Rate of risk of return on capital invested in business 2% p.a.

(v) Remuneration from alternative employment of the proprietor (if not engaged in business) Rs.3,600 p.a.

You are required to compute the value of good will on the basis of 3 years purchase of super profits of the business calculated on the average profits of the last four years
