

**B.Com. (Semester – VI) (New Course) Examination, April 2017**  
**ACCOUNTING MAJOR – 1**  
**Advanced Accounting – II**

Duration : 2 Hours

Total Marks : 80

**Instructions :** 1) Q. No. 1 is compulsory.

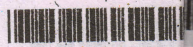
2) Attempt any three from Q. No. 2 to Q. No. 6.

3) Each question carries 20 marks.

4) Working notes and Schedules required whenever necessary.

1. From the following ledger balances of Sun and Moon Company Limited, prepare a Balance Sheet of the company as on 31<sup>st</sup> March 2016 as per revised schedule III of Companies Act, 2013. 20

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Equity share capital	26,00,000	Tools and equipments	3,75,000
General reserve	30,000	Gratuity fund	3,00,000
12% Debentures	4,00,000	Debtors	1,38,520
Land and buildings	15,54,970	Cash at Bank	1,57,160
Goodwill	10,00,000	Stores and Spares	1,77,800
Bank overdraft	2,45,100	Profit and Loss Account	
Proposed dividend	82,000	(Credit)	21,490
Prepaid insurance	25,000	Bills receivables	44,600
Mutual fund investment	1,68,000	Sundry creditors	42,560
interest payable	32,400	Bills payable	50,000
Discount on issue of debentures	12,500	Advances to employees	1,50,000
(unwritten part)			



2. The following information is given to you from the balances of Y Limited as at 31<sup>st</sup> March 2015.

	Rs.
a) Share capital : 2000 Equity shares of Rs. 100 each, Rs. 75 per share paid up	1,50,000
6000 Equity shares of Rs. 100 each, Rs. 60 per share paid-up	3,60,000
2000 10% Preference shares of Rs. 100 each fully paid up	2,00,000
b) Reserves and surplus : profit and loss account (debit balance)	2,40,000
c) Long term borrowings : 10% Debentures (having floating charge on all assets)	2,00,000
d) Trade payables : Sundry creditors	4,90,000
e) Other current liabilities : interest due on debentures	10,000
f) Tangible assets : Land and buildings	4,00,000
Plant and machinery	3,80,000
g) Inventories	1,10,000
h) Trade receivables : Sundry debtors	2,20,000
i) Cash and cash equivalents : Cash at bank	60,000

On that date, the company went into voluntary liquidation. The dividends on preference shares were in arrears for the last two years. Sundry creditors include a loan of Rs. 90,000 on mortgage of land and building.

The assets realized were as follows :

	Rs.
Land and buildings	3,40,000
Plant and machinery	3,60,000
Stock	1,20,000
Sundry debtors	1,60,000



Interest accrued on loan on mortgage of Buildings up to the date of payment amounted to Rs. 10,000.

The expenses of liquidation amounted to Rs. 4,600. The liquidator is entitled to a commission of 3% on all the assets realized (except cash at bank) and 2% on the amounts distributed to equity shareholders.

Preferential creditors included in sundry creditors amounted to Rs. 30,000. All payments were made on 30<sup>th</sup> June 2016. Prepare Liquidator's Final Statement of Accounts.

From the following balances prepare balance sheet of Kolkota Bank Limited for the year ended 31<sup>st</sup> March 2016, giving the relevant schedules. 20

Debit Balances	Amount (Rs.)
Cash credits	12,18,15,000
Cash in hand	2,40,23,000
Cash with R.B.I.	67,82,000
Cash with other banks	1,32,81,000
Money at call and short notice	3,15,18,000
Gold	82,84,000
Government securities	3,65,25,000
Current accounts	42,00,000
Premises	1,33,55,000
Furniture	95,18,000
Term loans	11,89,32,000
<b>Total</b>	<b>38,82,33,000</b>



<b>Credit Balances</b>	<b>Amount (Rs.)</b>
Share capital : 29,70,000 Equity shares of	
Rs. 10 each fully paid	2,97,00,000
Statutory reserves	3,46,00,000
Net profit for the year (before appropriations)	2,25,00,000
Profit and loss account (opening balance)	6,18,00,000
Fixed deposits	7,75,50,000
Saving deposit accounts	6,75,00,000
Current accounts	7,80,18,000
Bills payable	15,000
Borrowings from other banks	1,65,00,000
<b>Total</b>	<b>38,82,33,000</b>

**Additional information :**

- 1) Bills for collection Rs. 18,10,000.
  - 2) Acceptances and endorsements Rs. 14,12,000.
  - 3) Claims against the bank not acknowledged as debts Rs. 55,000.
  - 4) Depreciation charged on premises Rs. 1,10,000 and furniture Rs. 78,000.
4. From the following information 31<sup>st</sup> December 2016, prepare Revenue account of Indian Marine Insurance Company Limited.

	<b>Direct Business</b>	<b>Re-Insurance</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
1) Premiums		
Received	46,00,000	7,20,000
Receivable on 1 <sup>st</sup> January 2016	2,48,000	27,000
31 <sup>st</sup> December 2016	3,36,000	34,000
Paid	—	4,60,000
Payable 1 <sup>st</sup> January 2016	—	37,000
31 <sup>st</sup> December 2016	—	62,000

## 2) Claims

Paid		23,50,000	3,00,000
Payable	1 <sup>st</sup> January 2016	1,66,000	39,000
	31 <sup>st</sup> December 2016	2,08,000	44,000
Received		—	1,70,000
Receivables	1 <sup>st</sup> January 2016	—	16,000
	31 <sup>st</sup> December 2016	—	23,000

## 3) Commission :

On reinsurance accepted	2,20,000	19,000
On reinsurance ceded	—	26,000

## 4) Other Expenses and Income :

Salaries – Rs. 3,20,000, Rent, rates and taxes – Rs. 29,000 ; Postage and telegram – Rs. 43,000 and income tax paid – Rs. 4,40,000 ; interest, dividends and rent received (net) Rs. 1,37,500 ; income tax deducted at source Rs. 40,250 ; legal expenses Rs. 45,800 (inclusive of Rs. 40,000 in connection with settlement of claims)

5) Balance of fund on 1<sup>st</sup> January Rs. 38,45,000 including additional reserve of Rs. 4,45,000. Additional reserve has to be maintained at 5% of the net premiums of the year.

You are given the following extracts of ledger balances taken from the books of XYZ Co. Limited as on 31<sup>st</sup>, March 2016.

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Particulars	Amount (Rs.)
Cash in hand	2,000
Sales	2,21,000
Purchases	89,600

Share capital	15,00,000
Opening stock	10,000
Commission received	1,000
Salaries	16,000
Capital reserve	1,18,000
Carriage	8,500
Sundry expenses	3,800
Repairs	1,000
Cash at bank	3,21,000
Plant and machinery	2,70,000
Wages	5,000
Land and buildings	9,00,000
Sales returns	1,000
Canteen expenses	3,000
Interest on loan	2,000
Depreciation on furniture	8,000
Loss by fire	4,000
Furniture	1,76,000
Depreciation on plant and machinery	15,000

**Additional Information :**

- 1) Closing stock was valued at Rs. 13,000.
- 2) Outstanding wages amounted to Rs. 4,000.

Prepare a statement of profit and loss account as per revised Schedule III of Companies Act, 2013.

The following figures are obtained from the books of Vikas Bank Ltd. for the year ended 31<sup>st</sup> March 2016.

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	Amount (Rs.)
Interest and discount earned	38,00,000
Commission and exchange	1,95,000
Interest paid	20,00,000
Salaries and wages	2,10,000
Directors' fees	35,000
Rent and taxes	70,000
Postage and telegram	61,000
Profit on sales of investment	2,40,000
Loss on sale of investment	38,000
Rent received	62,000
Depreciation	31,000
Stationery	60,000
Auditors' fees	8,000

**Additional Information :**

- 1) The profit and loss account had a balance of Rs. 10,00,000 on 1<sup>st</sup> April 2015.
- 2) An advance of Rs. 5,68,000 has become doubtful and it is expected that only 50% of the amount due can be recovered from the security.
- 3) A provision for tax to be made at Rs. 5,25,000.
- 4) A dividend of Rs. 1,17,000 is proposed.

Prepare a profit and loss account of Vikas Bank for the year ended 31<sup>st</sup> March 2016.