

19001610



Reg. No.....

Name.....

M.Com. DEGREE (C.S.S.) EXAMINATION, JUNE 2019

Second Semester

Faculty of Commerce

AF02C06—ADVANCED FINANCIAL ACCOUNTING—II

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

Section A

Answer any five questions.

Each question carries 1 weight.

1. Define Green Accounting.
2. What is Firm Underwriting ?
3. What is a Holding Company ?
4. What is Fraudulent Preference ?
5. What is Stevending charge ?
6. What is Underwriting Commission ?
7. List out the modes of winding up.
8. Give two objectives of Farm accounting.

(5 × 1 = 5)

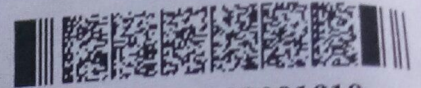
Section B

Answer any five questions.

Each question carries 2 weight.

9. Define Underwriting agreement ? Distinguish between Marked and Unmarked Application.

Turn over



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10. Prepare Cattle Account from the following details :

Transaction	Number	Price/Value
Livestock purchased	55	3,07,500
Livestock sold	50	3,18,000
Slaughtered cattle sold	3	18,000
Carcasses sold	2	1,500
Expenses		34,500
Livestock (opening)	25	1,35,000
Livestock (closing)	34	1,65,000

Other Information :

- Crop from farm used as cattle feed is worth Rs. 4,000.
- Sale of another 1 carcass brought Rs. 200 as earning.

11. Calculate Cost of Control of B ltd. after the issue of bonus shares. The following details are available :

B ltd. has a capital of Rs. 75,00,000 in shares of Rs. 100 each. A ltd. purchased 60% of shares at Rs. 70,00,000. At the time of purchase the profits of B ltd. were Rs. 40,00,000 and it also decided to issue bonus shares out of pre-acquisition profits. They decided to give 1 share of Rs. 100 each fully paid for every 3 shares held.

12. Question A- Which are the modes of paying remuneration to liquidator ?

Question B- Calculate Commission to be paid to Liquidator from the following data :

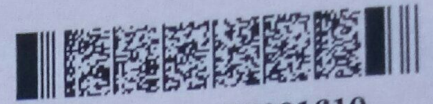
Amount to be paid to unsecured creditors	...	Rs. 7,50,000.
Amount available for unsecured creditors before charging commission on amount paid to them	...	Rs. 3,00,000
Commission %	...	5%

13. Explain the Order of Payment to be followed by the Liquidator.

14. Explain Reasonable Return.

15. Which are the common transactions that should be eliminated while preparing Consolidated Balance Sheet ?





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16. Prepare Receipts and Expenditure a/c on Capital a/c for the year ended 31st December 2016

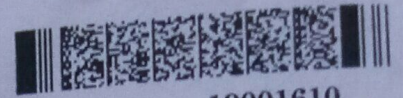
	Debit	Credit
Equity Shares	...	10,00,000
Preference shares (6%)	...	6,00,000
7.5% Debentures	...	4,00,000
Premium on Preference shares	...	55,000
Net Revenue a/c	...	32,000
Due to other companies	...	4,000
Creditors	...	30,000
Fire Insurance Fund	...	5,000
General Reserve	...	65,000
Superannuation Fund	...	15,000
Lines open for traffic	... 17,04,000	
Lines in construction	... 10,000	
Lines leased	... 40,000	
Lines owned jointly	... 1,00,000	
Working stock	... 2,60,000	
Building	... 25,000	
Cash	... 10,000	
Stores and stock	... 25,000	
Traffic amount due to company	... 20,000	
Amount due from other companies	... 5,000	
Other receivables	... 7,000	

Adjustments : 6% Preference shares were issued amounting to Rs. 1,50,000 which was fully subscribed. Equity shares were issued Rs. 2,00,000 at 10% premium. Expenditure on lines was Rs. 40,000, Rs. 3,000 on Lines in construction and Rs. 20,000 on Lines jointly owned.

(5 × 2 = 10)

Turn over





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Section C

Answer any **three** questions.
Each question carries 5 weight.

17. Viraat of MV shipping company carried 1600 tonnes of jute from Chennai to Mumbai and 2000 bulk units (bales) of raw fibre on its return voyage. Then it again journeyed to Mumbai with 1400 tonnes of jute and came back with 1500 units of fibre. Freight is as follows:

- (a) Rs. 400 per tonne for jute
(b) Rs. 200 per unit of fibre.

Primage is 8%.

Both the voyages were completed by December 31st 2016 which started on October 1st 2016. The following are the expenses related to voyage :

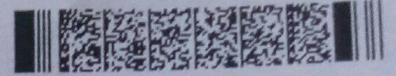
Bunker Charges—9,00,000 ; Port dues—2,80,000 (Rs. 1,20,000 at Chennai and Rs. 1,60,000 at Mumbai) ; Salaries—4,00,000 ; Sundry stores—80,000 ; Lighterage—30,000 ; Insurance on ship—1,80,000 and on freight—1,40,000 ; Loading and unloading charges—Jute @ Rs. 20 per tonne and Fibre @ Rs. 10 per bale ; Address Commission—4% on jute and 5% on fibre. Prepare Voyage account for the period.

18. Prepare a Consolidated Balance Sheet from the summarized balance sheet of 3 companies for the year 31st December 2015 :

Liabilities	A LTD.	B LTD.	C LTD.	Assests	A LTD.	B LTD.	C LTD.
Share Capital (per share Rs. 10)	1,50,000	1,00,000	75,000	Assets	32,000	92,000	99,000
P and L a/c	10,000	8,000	5,000	Investments :			
Profit (2015)	20,000	16,000	10,000	Shares in B			
Creditors	15,000	10,000	9,000	ltd.	1,25,000		
				Shares in			
				Cltd.	38,000	42,000	—
Total	1,95,000	1,34,000	99,000		1,95,000	1,34,000	99,000

On 1st January 2015 B ltd. purchased 2500 shares from C Ltd. On 31st December 2015, A ltd. purchased from share brokers 2500 shares of C ltd and all shares of B ltd. The creditors of A ltd. include Rs. 4,000 payable to B ltd and C ltd. Similarly Debtors consists of Rs. 2,000 due from B ltd.





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19. Joma Ltd. opted for voluntary liquidation. The details regarding it are given below :

Class A Equity shares—2,000 (Rs. 75 paid up)

Class A Equity shares—1,600 (Rs. 60 paid up)

Class A Equity shares—1,400 (Rs. 50 paid up)

8% Preference shares of Rs. 100 each.

All shares have face value of Rs. 100

Liquidation charges were Rs. 15,000. Assets realized Rs. 4,20,000. The company had a loan of Rs. 50,000 from Mobin Bank against the mortgage of Plant and Machinery (and realized Rs. 80,500). Wages for 4 office staff for 4 months at Rs. 300 p.m. and wages of 4 peons at Rs. 150 p.m. have not been paid. Creditors are there which amount to Rs. 87,400. Prepare Liquidator's Statement.

20. Prepare Crop account for the year ended 31st December 2014 :

Opening Stock : Rice—2,500 ; Seeds—500 and Fertilizers and Pesticides—750.

Purchases : Seeds—300 and Fertilizers—450

Sale of rice—20,000

Wages paid (all in form of Rice)—10,000

Rice taken for household—2,000

Depreciation—500

Closing Stock : Rice—2,000 ; Seeds—800 ; Fertilizers and Pesticides—500.

21. Explain Double Account System. Describe some of the advantages and disadvantages of the system.
22. The ship Marvel set on voyage from Mumbai to Kolkata 15th November 2015 with Apparels. It did not reach back before the books were closed on 31st December 2015. The ship had reached only half way of its return journey. The freight earned Rs. 12,00,000 and on return trip Rs. 8,00,000. Primage is 10%. Address Commission is 5%. The expenses given relate to expenses till date (half way of return journey) :

Depreciation	:	3,00,000
Port dues	:	1,00,000 (60,000 at Mumbai and the rest at Kolkata)
Bunker charges	:	6,00,000
General expenses	:	60,000
Insurance of freight :		
Outward	:	52,800
Inward	:	35,200
Insurance (ship)	:	48,000
Salaries and wages	:	3,60,000

Prepare Voyage account for the period.

