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T.Y. B.Com. EXAMINATION, 2013

ADVANCED ACCOUNTING

(2008 PATTERN)

Time : Three Hours

Maximum Marks : 80

- N.B. :—**
- (i) All questions are compulsory.
 - (ii) Figures to the right indicate full marks.
 - (iii) Use of calculator is allowed.

1. (A) Answer in *one* sentence only (any *five*) : [10]

- (i) On which day does the accounting year of a banking company end every year ?
- (ii) What are the insured standing charges ?
- (iii) What does Accounting Standard-15 stand for ?
- (iv) State the basis of allocation of Advertisement expenses under Department Account.
- (v) State the account to which consumption of farmer is debited.
- (vi) What does excess of assets over liabilities mean ?
- (vii) What is the formula to calculate 'Liquidity Ratio' ?

P.T.O.

- (B) Write short notes on (any *two*) : [14]
- (i) Construction Contracts (AS-7).
- (ii) Difference between Management Accounting and Financial Accounting.
- (iii) Allocation of expenses in Departmental Account.
- (iv) Cum Interest and Ex-Interest Transactions of Purchases and Sales in Investment Accounts.
- (v) Current Ratio.

2. The following is the trial balance of Sunrise Bank Ltd. as on 31st March, 2013 :

Particulars	Rs.	Rs.
Share Capital 30,000 Equity Shares of		
Rs. 10 each	—	1,50,000
Statutory Reserve	—	2,00,000
Deposits :		
Fixed	—	1,39,000
Saving	—	2,25,000
Current	—	1,87,000
Cash in hand	1,45,000	—
Cash with R.B.I.	2,10,000	—

Interest and Discount	—	1,50,000
Commission and Brokerage	—	25,000
Interest on Fixed Deposit	15,000	—
Interest on Saving Deposit	10,000	—
Interest on Current Deposit	6,250	—
Salaries	59,500	—
Manager Salaries	6,000	—
Rent, Insurance and Taxes	2,000	—
Postage and Telegram	450	—
Printing and Stationery	3,500	—
Audit Fees	2,000	—
Depreciation	1,650	—
Investment in Shares	42,000	—
Loan, Cash Credit and Overdraft	2,45,000	—
Bills discounted and purchased	90,000	—
Government Bonds	80,000	—
Furniture	20,000	—
Premises	1,50,000	—
Branch Adjustment Account	—	12,350
Total	10,88,350	10,88,350

Additional Information :

- (1) Rabate on bill discounted Rs. 13,500.
- (2) Create Reserve for bad and doubtful debts Rs. 5,500.
- (3) Acceptances on behalf of customers Rs. 40,000.

You are required to prepare Profit and Loss Account for the year ended 31st March, 2013 and Balance Sheet as on that date. [14]

Or

M/s Uday Investment Ltd. Pune submit the following details regarding one of their investment for the year 2012 :

- (1) On 1-1-2012 Opening Balance, Face Value Rs. 80,000, Cost Price Rs. 81,600.
- (2) On 1-3-2012 Purchases, Face Value Rs. 60,000 cum-interest at Rs. 95.
- (3) On 1-7-2012 Sales, Face Value Rs. 50,000 cum-interest at Rs. 102.
- (4) On 1-11-2012 Sales, Face Value Rs. 20,000 cum-interest at par.
- (5) On 1-12-2012 Purchases, Face Value Rs. 24,000 ex-interest at Rs. 99.

Investments carry interest at 6% p.a. payable on every 31st March and 30th September. The Market Price of Investment on 31st December 2012 at Rs. 98.

Write up Investment Account. [14]

3. (A) A fire broke out in the premises of Bright & Co. Pune on 15th August, 2012. From the following particulars ascertain the loss of stock and prepare a claim for insurance :

Particulars	Rs.
Stock on 1-1-2011	34,000
Stock on 31-12-2011	30,000
Sales from 1-1-2011 to 31-12-2011	1,80,000
Purchases from 1-1-2011 to 31-12-2011	1,22,000
Sales from 1-1-2012 to 14-8-2012	1,50,000
Purchases from 1-1-2012 to 14-8-2012	1,47,000

The stock salvaged was worth Rs. 36,000. The amount of policy was Rs. 63,000. There was an average clause in the policy. [8]

(B) M/s Shruti Traders, Pune has a branch at Nasik. The Head Office invoices goods to branch at cost plus 33%. The branch transfer all cash received to head office daily. All branch expenses are paid by head office.

From the following details for the year 2012 prepare Nasik Branch Account, Branch Debtors Account and Branch Petty Cash Account as it would appear in head office book :

Particulars	Rs.
Branch Stock on 1-1-2012 (at Invoice Price)	1,20,000
Branch Debtors on 1-1-2012	30,000
Branch Petty Cash on 1-1-2012	4,000
Goods sent to branch (at Invoice Price)	4,20,000
Goods return to head office (Invoice Price)	36,000
Cash Sales	66,000
Discount allowed to branch debtors	9,000
Bad debts written off	6,000
Goods return from debtors	3,000
Cash received from debtors	2,40,000
Credit Sales	3,00,000

Cheques received from head office for expenses :

Salaries	24,000
Rent and Taxes	8,000
Advertising	10,000
Petty Cash	6,000
Actual petty expenses incurred by the branch	7,000
Branch Stock on 31-12-2012 (at Invoice Price)	1,32,000

[14]

4. From the following Trial Balance of Amrut Farm, Pune, prepare Crop Account, Live-stock Account, Profit and Loss Account for the year ended 31st March, 2013 and Balance Sheet as on that date :

Debit		Rs.	Credit		Rs.
<i>Opening Stock :</i>			<i>Sales :</i>		
Live-stock	61,000		Milk	30,400	
Paddy	4,000		Paddy	52,600	
Cattle Feed	2,800		Live-stock	9,000	
Fertilizers	2,200	70,000	Creditors	11,800	

<i>Purchases :</i>		Capital	1,71,200
Live-stock	11,600		
Fertilizers	2,400		
Seeds	1,200		
Cattle Feed	6,800	22,000	
<i>Crop Expenses :</i>			
Labour	7,200		
Other expenses	800	8,000	
<i>Live-stock Expenses :</i>			
Medicines	1,200		
Labour	7,200		
Dairy Expenses	1,600	10,000	
General Expenses		12,000	
Tractor		36,000	
Land		1,00,000	
Cash at Bank		17,000	
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Total	2,75,000	Total	2,75,000
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Adjustment :

(i) Closing stock :

- (a) Live-stock Rs. 60,000
- (b) Paddy Rs. 3,000
- (c) Cattle Feed Rs. 1,800
- (d) Fertilizers Rs. 1,200

(ii) The proprietor has consumed the following items for his family use, out of his farm output :

- (a) Milk Rs. 4,800
- (b) Paddy Rs. 1,200

(iii) Provide 10% depreciation on Tractor.

(iv) Cow-dung of Rs. 4,000 has been used as manure in crop section. [20]

Or

Mr. Joshi maintains his books by single entry system. His cash book for the year ended 31st March, 2013 was as follows :

Summary of Cash Book

Receipts	Rs.	Payments	Rs.
To Balanced b/d	12,300	By Investment	2,000
To Sales	8,700	By Joshi's drawings	6,500

To Debtors	35,700	By Purchases	7,300
To Bills Receivable	15,300	By Creditors	28,900
To Interest	1,500	By Bills Payable	7,500
To Joshi's Capital Account	10,000	By Wages	17,300
To Balance c/d	3,730	By Carriage Inwards	1,350
		By Postage	550
		By Salaries	12,000
		By Rent and Taxes	930
		By Insurance	700
		By Printing and Stationery	2,200
Total		87,230	
		Total	
		87,230	

Particulars of Assets and Liabilities were as follow :

Particulars	1-4-2012	31-3-2013
	Rs.	Rs.
Investments	15,000	17,000
Stock	13,700	29,300
Debtors	21,000	25,000
Bills Receivable	14,000	18,000
Creditors	31,000	29,000
Bills Payable	7,000	9,000
Plant and Machinery	45,000	42,500
Furniture	3,500	3,100

Other Informations :

- (i) Credit Sales — Rs. 59,000
- (ii) Bills receivable from Debtors — Rs. 19,300
- (iii) Credit Purchases — Rs. 36,400
- (iv) Bills Payable issued to Creditors — Rs. 9,500
- (v) Capital balance as on 1-4-2012 — Rs. 86,500

Adjustments :

- (i) A provision of Rs. 1,250 was necessary on debtors for doubtful debts.
- (ii) Outstanding wages were Rs. 1,500 and outstanding salary was Rs. 700.
- (iii) Insurance was paid for one year ending 30th September, 2013.
- (iv) An advertising bill was payable amounting to Rs. 400.

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2013 and the Balance Sheet as on that date of Mr. Joshi. [20]