



M 27269

Reg. No. : .....

Name : .....

**II Semester M.A./M.Sc./M.Com. Degree (Reg./Supple./Imp.) Examination,  
March 2015  
COMMERCE (2014 Admn. Onwards)  
COM 2C09 : Advanced Business Accounting**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any 4** questions in this Section. **Each** question carries **1** mark for Part **A**, **3** marks for Part **B** and **5** marks for Part **C**.

- I. a) What do you mean by fair value of a share ?  
b) State the need for valuation of shares.  
c) A company has net assets of ₹ 1,00,000 before payment to the shareholder. The share capital consist of 5000 equity shares of 10 each and 2000 preference shares of ₹ 10 each. The preference shares are entitled to share 25% of the surplus assets remaining after payment to the equity shareholder. Calculate the value of a preference share.
- II. a) What do you mean by General Purpose Financial Statement ?  
b) State the procedure for issuing an Accounting Standard.  
c) State the significance of Accounting Standards.
- III. a) What is investment account ?  
b) State the objectives of maintaining investment ledger.  
c) On 31-3-2013, X Ltd. purchased ₹ 1,00,000 8% Govt. stock (face value ₹ 100) at ₹ 95 each ex. interest. Interest payable on 30<sup>th</sup> June and 31<sup>st</sup> December each year. Show entries in the investment ledger of X Ltd. for the period ending 31-12-2013, ignoring income tax and brokerage.
- IV. a) What is Current Cost Accounting (CCA) ?  
b) Explain the different classification under CCA.

What are the adjustments to be made for calculating current operating profit ?



- V. a) Define government accounting.  
 b) Write a note on the consolidated fund of India.  
 c) Explain the features of government accounting in India.
- VI. a) Define Human Resource Accounting.  
 b) State the limitations of conventional accounting in relation to human resource.  
 c) Explain the objective of Human Resource Accounting.

### SECTION – B

Answer **all** questions. **Each** carries **12** marks.

- VII. a) A fire occurred on 15<sup>th</sup> September 2014 in the premises of X Co. Ltd. From the following figure, calculate the amount of claim to be lodged with the insurance company for loss of stock.

Stock at cost on 1 <sup>st</sup> Jan. 2013	2,00,000
Stock at cost on 1 <sup>st</sup> Jan. 2014	3,00,000
Purchase 2013	4,00,000
Purchase from 1 <sup>st</sup> Jan., 2014 to 15 <sup>th</sup> Sept. 2014	8,80,000
Sale 2013	6,00,000
Sale from 1 <sup>st</sup> Jan. 2014 to 15 <sup>th</sup> Sept. 2014	10,50,000

During the current year cost of purchase have risen by 10 % above last year level selling prices have gone up by 5%.

Salvage value of stock after fire was ₹ 20,000.

OR

- b) S.S. Raja commenced a voyage on 1<sup>st</sup> March 2013 from Kolkotta to Kandla. The details for the entire voyage (including back trip) were as follows :

Port charges	40,000
Coal and Stores consumed	1,00,000
Wages and Salaries	60,000
Sundry expenses	12,000
Depreciation	60,000
Insurance of the ship	30,000
Insurance of the freight	20,000
Freight	5,00,000

Primage 10%. Address commission 6%.

Freight relating to return journey amounted to ₹ 2,00,000 only. On 30<sup>th</sup> June 2013 on which date the account were closed the ship was on its half way



VIII. a) From the following particulars, compute the monetary working capital adjustment. Historical cost balances.

	<b>At the beginning of the year</b>	<b>At the end of the year</b>
	₹	₹
Trade Debtors	30,000	1,20,000
Trade Creditors	52,500	75,000
Index number	For finished goods	Raw materials
Beginning of the year	100	105
Average of the year	110	115
End of the year	120	125

OR

b) What is the objective of setting up of International Accounting Standards Committee ? Enumerate the important matters regarding which the committee has laid down Standards. (2×12=24)

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