



M 26113

Reg. No. :

Name :

Third Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.)
Examination, November 2014
COMMERCE
Paper – X : Advanced Business Accounting

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any five** questions. **Each** question carries **8** marks.

1. Explain the various methods of ascertainment of profit under CPP method.
2. Describe the replacement cost methods of measuring human resources.
3. What are the procedure adopted for formulating an Accounting Standard ?
4. From the following information, calculate the value of an equity share.
 - i) The paid up share capital of a company consist of 1000 15% preference shares of Rs. 100 each and 20000 equity shares of Rs. 10 each.
 - ii) The average annual profits of the company after providing for depreciation and taxation amounted to Rs. 75,000.
 - iii) The normal return expected by investors on equity shares from the type of business carried on by the company is 10 percent.
5. Who are all the preferential creditors ?
6. Explain the different classes of Co-operative society.
7. What are the functions of the Comptroller and Auditor General of India ?
8. Write short note on the following :
 - a) Primage
 - b) Address commission
 - c) Passageway.

(5×8=40)

P.T.O.



SECTION – B

Answer **any two** questions. **Each** question carries **20** marks.

9. Mr. Rajaratna commenced a voyage on 1st March 2010 from Kolkatta to Kandla. The details of the entire voyage (including back trip) were as follows :

	Rs.
Part charges	4,000
Coal and stores consumed	10,000
Wages and salaries	6,000
Sundry expenses	1,200
Depreciation	6,000
Insurance of the trip	3,000
Insurance of the freight	2,000
Freight	50,000

Primage 10%, address commission 6%. Freight relating to return journey amounted to Rs. 20,000 only on 30th June 2010 on which date the accounts were closed, the ship was on his half way back to Kolkatta from Kandla. Prepare the voyage a/c upto 30th June 2010.

10. The assets of Adhikari of Bombay on 30th June 2010 as shown by his book were Rs. 28,000 and his liabilities Rs. 22,000. He filed his petition in the insolvency court and estimated his deficiency to be Rs. 15,000. After making the above estimate he found that the following items were not passed through his books of account.

Interest at 6% on his capital from 1st January 2010 of contingent liability for Rs. 1,250 on bills discounted by him for Rs. 5,000.

Amounts due as wages Rs. 300, Salaries Rs. 200, Rent Rs. 100 and rates and taxes Rs. 150.

Prepare his statement of affairs and deficiency account.



11. P Ltd. proposed to purchase the business carried on by Shri C, Goodwill for this purpose is agreed to be valued at three years purchase of the weighted average profits of the past four years. The appropriate weights to be used are : 2006, 1, 2007, 2, 2008, 3, 2009, 4.

The profits for three years are 2006, Rs. 20,200 ; 2007, Rs. 24,800 ; 2008, Rs. 20,000 and 2009, Rs. 30,000.

On a scrutiny of the statements the following matters are revealed :

- a) On 1st September, 2008 a major repair was made in respect of the plant incurring Rs. 6,000 which amount was charged to revenue. The said sum is agreed to be capitalised for goodwill calculation subject to adjustment of depreciation of 10% p.a. on reducing balance methods.
- b) The closing stock for the year 2007 was over valued by Rs. 2,400.
- c) To cover management cost an annual charge of Rs. 4,800 should be made for the purpose of goodwill valuation. Compute the value of the goodwill of the firm.

12. Explain the different methods of accounting for price level change. **(2x20=40)**

5. Who are all the potential creditors ?

6. Explain the different classes of Co-operative society

7. What are the functions of the Controller and Auditor General of India ?

8. Write short note on the following :

- a) Principal
- b) Address commission
- c) Passageway

(5x8=40)

P.T.O.