



K15P 0192

Reg. No.:

Name:

III Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.)
Examination, November 2015
COMMERCE
(2013 & Earlier Admn.)
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 significance of Accounting Standards.
2. What are the procedures to be followed for valuing shares under dividend yield method ?
3. Briefly explain the different methods of human resource accounting.
4. What are the features of Government accounting in India ?
5. Explain Current Cost Accounting (C.C.A.) methods of accounting for price level changes.
6. From the following information, calculate the value of equity share.

5,000 6% preference shares of Rs. 100 each – Rs. 5,00,000

40,000 Equity shares of Rs. 10 each – Rs. 4,00,000

Expected profit per year before tax – Rs. 2,60,000

Rate of tax – 50%

Transfer to General reserve every year – 20% of the profit after tax

Normal rate of earning 15%

P.T.O.



7. From the following information relating to a business, calculate the value of goodwill as per the super profit methods and capitalisation method.

- 1) Average capital employed in the business Rs. 7,00,000.
- 2) Net trading profits of the firm for the past three years were Rs. 1,07,600, Rs. 90,700 and Rs. 1,12,500.
- 3) Rate of interest expected from capital having regard to the risk involved – 12%.
- 4) Sundry assets of the firm Rs. 7,54,762, current liabilities Rs. 31,329.

8. State the reasons for the evolution of inflation accounting. (5×8 = 40)

SECTION – B

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

9. The receipts and payment account of a cooperative society for the year 2010-11 and the outstanding items and adjustment as on 30-6-2011 are given below. Prepare Trading and Profit and Loss Account for the year 20-10-11 and Balance Sheet as on 30-6-2011.

Receipts and Payment Account for the year 2010-11

| Receipts | | Payments | |
|------------------------|----------|----------------------|----------|
| Share capital | 28,000 | Dist. Co. of Balance | 75,000 |
| Dist. Co. op Bank loan | 1,25,000 | Deposits | 1,10,000 |
| Deposits | 4,80,000 | Loan to members | 7,10,000 |
| Loans to members | 3,33,500 | Interest paid | 25,200 |
| Admission fees | 1,400 | Rent | 2,500 |
| Sale of forms | 400 | Salaries | 14,000 |
| Other miscellaneous | 3,665 | Stationery | 400 |
| Interest received | 35,580 | Purchase of goods | 95,100 |



| | | | |
|------------------------|------------------|----------------------|------------------|
| Sale proceeds of goods | 1,10,250 | Trade expenses | 750 |
| Advance | 73,150 | Electricity expenses | 450 |
| Bank with withdrawals | 10,01,719 | Bank charges | 60 |
| | | Advances | 70,000 |
| | | Bank deposit | 10,78,250 |
| | | Printing | 700 |
| | | Postage | 90 |
| | | Travelling allowance | 200 |
| | | Furniture | 6,450 |
| | 21,92,664 | Total | 21,89,150 |
| Op. Balance | nil | Closing Balance | 3,514 |
| Grand Total | 21,92,664 | Grand Total | 21,92,664 |

Adjustment :

- 1) Closing stock on 30-6-2011 Rs. 4,200.50
- 2) Depreciation reserve of 10% to be created for furniture.
- 3) Loan amounting to Rs. 6,000 considered as bad debts, provision has to be created for this.
- 4) Interest pending collection as on 30-6-2011 Rs. 17,000 of which Rs. 2,000 is overdue.
- 5) Interest pending payment at the close of the year Rs. 6,500.
- 6) Establishment and contingent cheque pending payment Rs. 3,000.



10. In July 2010, Kannur Investment Ltd. held Rs. 1,00,000 6% debentures of Chartered Bank which appeared in the books at Rs. 96,500 interest is payable on July 31st and January 31st on October 12, 2010 a further Rs. 50,000 debenture in Chartered Bank Ltd., were bought at Rs. 98 cum-interest and on January 2011, further Rs. 30,000 debentures were bought at Rs. 97 ex-interest.

On March 31, 2011, Rs. 80,000 debentures were sold at Rs. 101 cum-interest and on June 1 Rs. 60,000 debentures were sold at Rs. 102 ex-interest. Show the investment account for the period ending June 30, 2011.

11. Mrs. Sheela Dutt commenced a voyage on 1st March 2010 from Kolkotha to Kandla. The details for the entire voyage (including back trip) were as follows :

| | ₹ |
|--------------------------|--------|
| Port charges | 4,000 |
| Coal and stores consumed | 10,000 |
| Wages and salaries | 6,000 |
| Sundry expenses | 1,200 |
| Depreciation | 6,000 |
| Insurance for the ship | 3,000 |
| Insurance of the freight | 2,000 |
| Freight | 50,000 |

Primage 10% address commission 6%.

Freight relating to return journey amounted for Rs. 20,000 only on 3rd June 2010 on which date the accounts were closed, the ship was on his half way backs Kolkotha from Kandla. Prepare the voyage account upto 30th June 2010.

12. Explain how the Accounting Standards Boards in India is constituted.

(2×20 = 40)