

Reg. No. :

Name :

**I Semester M.Com. Degree (C.B.C.S.S. – OBE – Regular)
Examination, October 2023
(2023 Admission)**

CMCOM01C04 : ADVANCED FINANCIAL ACCOUNTING

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer any five questions. Each question carries three marks :

- What do you mean by
 - Address commission
 - Bunker cost
 - Stevedoring charge ?
- What is meant by
 - Asset backing method
 - Yield method
 - Fair value method ?
- Explain the methods of inflation accounting.
- What is the purpose of valuing shares ?
- What are the roles of Public Accounts Committee ?
- What is
 - Average clause
 - Indemnity period
 - Short sales ?

(5×3=15)

P.T.O.

SECTION – B

Answer any three questions. Each question carries five marks :

- What do you understand about cum interest or dividend ? How is it adjusted on purchase and sale of investments ?
- What are the objectives of Human Resource Accounting ?
- Explain the role of Comptroller and Auditor General of India.
- On 31st March 2017, Southern investors intend purchase a bunch of shares of X Ltd. the profits of X Ltd. for the last 5 years were ;

Rs.

2012-13	2,80,000
2013-14	3,20,000
2014-15	3,60,000
2015-16	3,00,000
2016-17	3,40,000

Paid up capital of the company was Rs. 10,00,000 in shares of Rs. 10 each. The normal rate of return on investment in the company is 12%. Income tax rate is 50%. Calculate Earning Yield Value per share.

- The godown of Vinayak Ltd. caught fire on 15th September 2016, records saved from fire showed the following particulars.

Rs.

Stock at cost on 1 st April 2015	60,000
Stock at cost on 31 st March 2016	84,000
Purchase less returns for the year 2015-16	5,08,000
Wages for the year 2015-16	20,000
Sales less returns for the year 2015-16	7,20,000
Purchase less returns from April 1 to September 15, 2016	1,80,000
Sales less returns from April 1 to September 15, 2016	2,46,000
Wages from April 1 to September 15, 2016	16,200
Value of policy	1,20,000

Gross profit remained at a uniform rate. The stock salvaged was worth Rs. 7,200 and that was retained by Vinayak Ltd. show the amount of claim to be lodged.

(3×5=15)

SECTION – C

Answer any three questions. Each question carries ten marks :

- Jaswanth Ltd. holds 400 12% debentures of Rs. 100 each in Asha Ltd. as on 1st April 2015 at a cost of Rs. 50,000. Interest is payable on 30th June and 31st December every year. On 1st June 2015, 200 debentures are purchased cum interest @ Rs. 21,400. On 1st November 2015, 300 debentures are sold Ex-interest @ Rs. 28,650. On 30th November 2015, 200 debentures are purchased Ex-interest for Rs. 19,200. On 31st December 2015, 300 debentures are sold cum interest for Rs. 32,250.

Prepare investment account valuing closing stock as on 31st March 2016, @ cost (applying FIFO method) or market price whichever is lower. The debentures were quoted at par on 31st March 2016.

- Define Goodwill. Explain the different methods of valuing Goodwill.
- On 31st December 2017, the balance sheet of a limited company disclosed the following position.

Liabilities	Amount Rs.	Assets	Amount Rs.
Issued Capital in Rs. 10 shares	4,00,000	Goodwill	40,000
Reserves	90,000	Fixed assets	5,00,000
P&L account	20,000	Current Assets	2,00,000
5% Debentures	1,00,000		
Current liabilities	1,30,000		
	7,40,000		7,40,000

On 31st December 2017, the fixed assets were independently valued at Rs. 5,50,000 and the Goodwill at Rs. 50,000.

The net profits after tax for the 3 years were ;

2015 – Rs. 51,600 ; 2016 – Rs. 52,000 and 2017 – Rs. 51,650 of which 20% was placed to reserve, this proportion being considered reasonable in the industry in which the company is engaged and were a fair investment return may be taken @ 10%.

Compute the value of company's shares by

- the asset backing method and
- the yield method and also its fair value.

- On 1st November 2015, a severe fire broke out in the premises of Hard Luck Company Ltd. the indemnity period lasted for 4 months during which the sales of the company were reduced to Rs. 2,00,000. The Company closes its account on 30th June every year. The profit and loss account for the year ended 30th June 2015 is given below :

Profit and Loss Account for the year ended 30th June 2015

Particulars	Amount Rs.	Particulars	Amount Rs.
Opening stock	5,00,000	Sales	47,50,000
Purchases	30,00,000	Closing stock	2,50,000
Variable expenses	7,87,500		
Standing charges	3,62,500		
Net profit	3,50,000		
	50,00,000		50,00,000

The company took loss of profit policy for a sum of Rs. 6,00,000. The sales of the company for the 12 months ending the date of fire were Rs. 50,00,000 and for the 4 months from 1st November 2014 to 28th February 2015 were Rs. 15,00,000. An additional amount of Rs. 16,000 was incurred during the indemnity period which is considered as admissible for the amount of claim. There is also a savings in insured standing charges for Rs. 8,000.

Compute the amount of claim to be lodged with insurance.

- What do you mean by IFRS ? Explain the different IFRS in accounting.

(3×10=30)