



K24P 0877

Reg. No. : .....

Name : .....

**II Semester M.Com. Degree (C.B.S.S. – Supple. (One Time Mercy Chance)/  
Imp.) Examination, April 2024  
(2014 to 2022 Admissions)  
COM2C09 : ADVANCED BUSINESS ACCOUNTING**

Time : 3 Hours

Max. Marks : 60

## SECTION – A

Answer **any four** questions in this Section. **Each** question carries **1** mark for part (a), **3** marks for part (b) and **5** marks for part (c).

(4×9=36)

1. a) What is share valuation ?
- b) What are the purposes of share valuation ?
- c) Following is the summarized Balance Sheet of X Ltd.

Balance Sheet			
Liabilities	Amount	Assets	Amount
	(Rs.)		(Rs.)
Share capital :		Goodwill	2,10,000
25,000 equity shares of		Machinery	3,00,000
Rs. 20 fully paid	5,00,000	Furniture	50,000
Reserves	1,80,000	Investment at cost (Market	
Profit and Loss Account	1,61,000	value – 4,40,000)	5,00,000
12% debentures	4,00,000	Debtors	1,20,000
Creditors	44,000	Stock	1,80,000
Provision for taxation	50,000	Bank	50,000
Employee's Provident Fund	1,05,000	Preliminary expenses	30,000
	<b>14,40,000</b>		<b>14,40,000</b>

Goodwill is revalued at Rs. 2,50,000, while Plant and Machinery is expected to realize Rs. 2,85,000. Debtors are subjected to the provision for bad debts @ 7%. Calculate the value of share on the Net Assets basis.

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2. a) What are accounting standards ?
- b) What all constitutes a complete set of financial statement as per Ind AS 1 ?
- c) Explain the procedure for formulation of accounting standards.
3. a) What are investments ?
- b) Explain the nature of Voyage Account and write briefly about stevedoring charges, primage and port charges.
- c) The Jack Sparrow Ltd. commenced its voyage from Kolkata to Chennai on 31<sup>st</sup> March, 2021 to 30<sup>th</sup> April, 2021.

Particulars	In Rs.
Brokerage	8,000
Insurance	18,000
Depreciation for 2 months	20,000
Salaries	50,000
Bunker cost	4,000
Light House cost	3,000

Freight earned for return journey Rs. 1,00,000 and for outward journey Rs. 1,25,000. Primage is 10% on freight. Prepare Voyage Account.

4. a) What is accounting for price level changes ?
- b) A Company purchased a machine on 1-1-2004 for Rs. 60,000. The retail price index on that date stood at 150. You are required to restate the value of the machine according to CPP method on 31-12-2004 when the price index stood at 200.
- c) What are the disadvantages of Inflation Accounting ?



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5. a) Define Human Resource Accounting.
- b) What is historical cost capitalization model in HR Accounting ? Mention any two limitations of this model.
- c) Elaborate on the importance of Human Resource Accounting.
6. a) What is Public Accounts Committee ?
- b) What is principle of verifiability and principle of custodianship ?
- c) What are the objectives of Government accounting ?

## SECTION – B

Answer the **two** questions in this Section. **Each** question carries **12** marks. (2×12=24)

7. a) C Ltd. has a loss of profit policy of Rs. 21,00,000. The period of indemnity is 3 months. A fire occurred on 31-03-2018. The following information is available :

Sales :	In Rs.
For the year ending 31-12-2017	70,00,000
For the period from 1-4-2017 to 31-3-2018	80,00,000
For the period from 1-4-2017 to 30-6-2017	18,00,000
For the period from 1-4-2018 to 30-6-2018	1,20,000
Standing charges for 2017	16,00,000
Net Profit for 2017	5,00,000
Savings in standing charges because of fire	50,000
Additional expenses to reduce loss of turnover	1,00,000

Assuming no adjustment has to be made for upward trend in turnover, compute the claim to be made on the insurance company.

OR

- b) On 1-04-2017 Mahaveer Ltd. had 12% Govt. Bonds amounting to Rs. 4,00,000 at Rs. 96 (face value being Rs. 100 each). Interest is payable on 31<sup>st</sup> March and 30<sup>th</sup> September every year. On 1-6-2017, Mahaveer Ltd. sold 12% Govt. Bonds of Rs. 1,00,000 at Rs. 96 cum-interest. Show the 12% Govt. Bonds amount for the year ended 31-3-2018. The bond was quoted at Rs. 99 ex-interest. Ignore income tax and brokerage.

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8. a) Two companies, A Ltd. and B Ltd. are found to be exactly similar as to their assets, reserves and liabilities except that their share capital structures are different. The share capital of A Ltd. is Rs. 11,00,000, divided into 1,000, 6% preference shares of Rs. 100 each and 1,00,000 equity shares of Rs. 10 each. The share capital of B Ltd. is also Rs. 11,00,000, divided into 1,000, 6% preference shares of Rs. 100 each and 1,00,000 equity shares of Rs. 10 each. The fair yield in respect of the equity shares of this type of companies is ascertained at 8%. The profits of the two companies for 2020 and 2021 are found to be Rs. 1,10,000 and Rs. 1,50,000 respectively. Calculate the value of the equity shares of each of these two companies on 31-12-2020 on the basis of this information only. Ignore taxation.

OR

- b) Explain and ascertain net monetary result at 2015 end from the under mentioned data.

Particulars	2015 (Start)	2015 (End)
Bank	2,000	3,000
Accounts Receivable	10,000	12,000
Accounts Payable	15,000	10,000

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2015 Start	100
2015 End	200
2015 Average	160