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SUBJECT CODE NO:- C-3022
FACULTY OF COMMERCE AND MANAGEMENT
B.Com T.Y. (Sem-V) Examination Oct/Nov 2019
Advanced Financial Accounting -I

[Time: Two Hours]

[Max. Marks:50]

Please check whether you have got the right question paper.

- N.B
- 1) Question No. 1 is compulsory.
 - 2) Attempt any three questions from the remaining four questions.
 - 3) Use of calculator is allowed.

Q.1 Explain the Social Accounting in India. 08

Q.2 The Trading and Profit and Loss Account of the Bharat Electronics for the year ending 31st March, 2017 is as under. 14

Trading Profit & Loss Account

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
To Purchases:-		By Sales:-	
Department 'A'	1,60,000	Department 'A'	1,75,000
Department 'B'	1,25,000	Department 'B'	1,40,000
Department 'C'	80,000	Department 'C'	35,000
To Salaries and wages	48,000	By Closing Stock:-	
To Rent	10,800	Department 'A'	58,100
To Sundry Expenses	11,000	Department 'B'	20,300
To Profit	40,200	Department 'C'	46,600
	4,75,000		4,75,000

Prepare Departmental Accounts for each of the departments Transisters (dept. A), Tape Recorders (Dept. B) and Servicing and Repairs (Dept. C), after taking into consideration the following:-

- a) Transisters (Dept. A) and Tape Recorders (Dept. B) are sold at the showroom. And servicing & Repairs (Dept. C) are carried out at the workshop.
- b) Salaries and wages comprise as follows:-
 Showroom $\frac{3}{4}$ th
 Workshop $\frac{1}{4}$ th
 It was decided to allocate the showroom salaries and wages in the ratio 1:2 between Department 'A' and Department 'B'.
- c) The workshop rent is Rs. 500 per month. The rent of showroom is to be divided equally between the Dept. 'A' & Dept 'B'.
- d) Sundry expenses are to be allocated on the basis of the turnover of each Department.

Q.3 XYZ Investment Trust Ltd. Submit the following details regarding 8% Govt. Bonds for the year ended 31-03-2017. 14

1-4-2016 Opening Balance of Face value Rs.30,000 at a cost of Rs.29,000.

1-6-2016 Purchases worth Rs. 50,000 cum interest at 1% premium.

1-8-2016 Sales worth Rs. 30,000 Ex-interest at 1% discount.

1-12-2016 Purchases worth Rs. 50,000 Ex-interest at 2% premium.

1-02-2017 Sales worth Rs. 60,000 cum interest at 1% premium

The interest is received half-yearly on 30th June and 31st December every year. The market price of the investment as on 31.03.2017 was Rs. 102%.

Prepare 8% Govt. Bonds Account for the year ended 31st March, 2017 in the books of XYZ Investment Trust Ltd.

Q.4 The following is the Trial Balance of Karmveer Bank Ltd., as at 31st March; 2017. 14

Trial Balance

Particulars	Dr. (Rs)	Cr. (Rs)
Subscribed capital:- 50,000 equity shares of Rs.10 each.		5,00,000
Fully paid		
Reserve fund		2,50,000
Loans, Cash Credit & Overdrafts	2,85,000	
Bank Premises	50,000	
Indian Government Securities	4,00,000	
Current Deposits		1,00,000
Fixed Deposits		1,25,000
Saving Bank Deposits		50,000
Salaries	28,000	
General Expenses	27,400	
Rent, Rates & Taxes	2,300	
Directors fees	1,800	
Profit & Loss Account 1-4-2016		16,000
Interest and Discounts		1,28,000
Stock of Stationery	8,500	
Bills Purchased & Discounted	46,000	
Interim Dividend Paid	17,000	
Recurring Deposits		20,000
Shares	50,000	
Cash in hand & with RBI.	1,93,000	
Money at call & short notice	80,000	
	11,89,000	11,89,000

The following additional information should be considered:-

- i) Provision for bad and doubtful debts is required to be made at Rs. 5000.
- ii) Interest accrued on investment was Rs. 8000/-
- iii) Rebate on Bills Discounted amount to Rs. 380.
- iv) Interim dividend declared 4% actual.
- v) Endorsements made on behalf of customers totalled Rs. 1, 15, 000.
- vi) Authorized Capital was 80,000 equity shares of Rs. 10 each.

- vii) Rs.10,000 were added to the Bank Premises during the year. Depreciation at 5% on the opening balance is required.
- viii) Market value of Indian Government securities was Rs. 3, 90,000.
Prepare Profit and Loss Account for the year ending 31st March, 2017 and Balance Sheet as at that date in the prescribed form of Banking Regulation Act.

Q.5 The following Balances appeared in the books of XYZ General Insurance Company Ltd. As on 31st December, 2016.

Particulars	Amount
Fixed Assets 1-1-2016	50,000
Directors Fees -----	1,00,000
Auditors Fees -----	25,000
Share Transfer Fees -----	5,000
Interest & Dividend Received	1,60,000
Difference in Exchange (Cr.)	2,000
Provision for Taxation (1-1-2016)	3,00,000
Income Tax paid during the year	2,50,000
Miscellaneous Receipts	10,000

Particulars	Fire (Rs.)	Marine (Rs.)
Claims Paid-----	2,00,000	1,40,000
Outstanding claims on 1-1-2016	50,000	10,000
Reserve for unexpired risks on 1-1-2016 -----	2,50,000	2,00,000
Additional Reserve(1.1.2016)	1,00,000	-----
Premium Received	7,00,000	4,00,000
Commission paid	25,000	15,000
Expenses of Management	60,000	30,000
Reinsurance Premium (Dr.)	35,000	10,000
Bad Debts-----	10,000	17,500
Survey Expenses -----	5,000	7,500

Additional Information:-

- i) Claims outstanding on 31-12-2016, fire Rs. 20,000, Marine Rs.5000
- ii) Premium outstanding on 31-12-2016, fire Rs. 75,000 and Marine Rs. 50,000.
- iii) Depreciation on fixed Assets @ 10% p.a. on opening balances.
- iv) Interest Receivable Rs. 10,000/-
- v) The directors have decided that the provision for taxation should stand at Rs. 1,50,000 as at 31st December, 2016.
- vi) Provide for Additional Reserve in case of fire insurance at 5% of Net Premium income in addition to the opening balance.
Prepare in the prescribed forms:-
 - a) Fire Revenue Account
 - b) Marine Revenue Account, and
 - c) Profit & Loss Account for the year ended 31st December; 2016.