**Bachelor of Commerce with Accountancy, Finance & Insurance Examination: October 2014 Semester - III (Fresh)**

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| --- | --- | --- | --- | --- |
| **Day & Date** | **Paper no.** | **Subject Name** | **Time** | **Code** |
| **Monday**  **13/10/2014** | **P- II** | **Advanced Accounting** | **11. 00 AM**  **to**  **01. 30 PM** | **340219** |

**Note: Attempt any three questions from Q.1 to Q.5**

**Each question carries 25 marks**

**Q.1** X Ltd. having head office at Mumbai maintains a branch at Nashik. Goods are invoiced at cost plus 25%. The following information available. **25**

|  |  |
| --- | --- |
| Goods sent to branch (Invoice price) | 6,70,000 |
| Goods return by branch | 25,000 |
| Cash sales by branch | 1,00,000 |
| Discount allowed to customer | 2,000 |
| Amount collected from debtor | 3,00,000 |
| Branch expense in cash | 75,000 |
| Sales return | 20,000 |
| Bad debts | 5,000 |

Further details: 31-03-2013 31-03-2014

Branch Debtor 55,000 1,00,000

Stock at branch (Invoice) 1,40,000 2,05,000

Prepare following ledger account -

1. Branch stock
2. Branch debtors A/c
3. Branch Profit & Loss A/c
4. Branch Adjustment A/c

**Q2.** On 13 June 2013, a fire broke out destroying most of stock – The salvaged stock is Rs. 11,000/- **25**

Following further information is available:

1. Stock at close of account as on 31st December, 2012 was Rs, 84,000/-
2. Purchase from 1.1.2013 to 13.6.2013 was Rs. 1,88,000/-
3. Sales for the same period was Rs. 2,75,000/-
4. Average gross profit ratio is 25% sales
5. Stock was insurance for Rs. 75,000/-

**Q3.** PQR Ltd. decided to absorb ABC Ltd. as on 30th June 2012. The summarized Balance Sheet of ABC Ltd. was as follows: **25**

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Amount (Rs.)** | **Assets** | **Amount (Rs.)** |
| SHARE CAPITAL: |  | FIXED ASSETS: |  |
| 50,000 equity shares of Rs.10/- each | 500,000 | Land and Building | 300,000 |
| General Reserve | 250,000 | Furniture | 25,000 |
| Profit and Loss A/c | 120,000 | Plant and Machinery | 555,000 |
| 5% Debentures | 100,000 | CURRENT ASSETS: |  |
| Sundry Creditors | 30,000 | Stock | 70,000 |
|  |  | Sundry Debtors | 35,000 |
|  |  | Cash at Bank | 10,000 |
|  |  | Cash in Hand | 5,000 |
|  | 10,00,000 |  | 10,00,000 |

PQR Ltd. agreed to take over all the assets and liabilities of ABC Ltd. The Current Assets were to be taken over at their books value but the Fixed Assets were revalued as follows:

Land and Building - 3,50,000

Furniture - 15,000

Plant and Machinery - 6,00,000

Rs. 50,000 was to be paid for goodwill. The purchase consideration was paid as Rs. 2,55,000 in cash and the balance in fully paid equity shares of PQR Ltd.

The absorption was duly carried out on 1st July 2012.

You are required to show the journal entries to close the books of ABC Ltd.

**Q4.** MARUTI Company purchased two trucks from Vijay Industries Ltd. On January 1, 2014 the cash price being Rs. 56,000/- The purchase is on the hire purchase basis Rs. 15,000 being paid on signing of the contract and thereafter Rs. 15000 being paid annually for three years. An interest was charged at 5%. Depreciation was written off at the rate of 20% per annum on the reducing installment system.

Give necessary Ledger accounts in the books of hire-vendor. The hire vendor follows the Credit Sale Method. **25**

**Q5. Write short notes on any five:**  **25**

1. Internal Reconstruction of company
2. Amalgamation of companies
3. Allocation of expenses in Department Accounting
4. Hire Purchase Agreement
5. Average Clause
6. Purchase Consideration