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ND—11—2024

FACULTY OF COMMERCE AND MANAGEMENT

B.Com. (A & T) (Third Year) (Fifth Semester) EXAMINATION

APRIL/MAY, 2024

ADVANCED ACCOUNTING

Paper I

(Friday, 05-04-2024)

Time : 10.00 a.m. to 1.00 p.m.

Time—3 Hours

Maximum Marks—75

N.B. :— (i) Attempt all questions.

(ii) Question No. 1 is compulsory.

(iii) Non-programmable calculator is allowed only.

1. From the following balances of Gavran Tadaka Hotel as on 31st Dec. 2022 : 20

| Particulars | ₹ |
|--|----------|
| Authorised and issued capital 2400 shares of ₹ 100 each | 2,40,000 |
| Land and Building | 2,25,000 |
| Furniture | 15,000 |
| Glass and computer | 3,000 |
| Linen | 1,500 |
| Cutlary and plates | 1,500 |

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| | |
|-------------------------|--------|
| Rate, tax Insurance | 4,500 |
| Salary | 12,500 |
| Wages | 17,500 |
| Cash at Bank | 4,500 |
| Cash in hand | 3,300 |
| Opening Stock : | |
| Wines | 2,500 |
| Spirits | 2,000 |
| Beers | 2,500 |
| Minerals | 2,000 |
| Cigar | 600 |
| S. Provision and stores | 3,000 |
| Coal | 900 |
| Purchases : | |
| Meat | 4,500 |
| Fish and poultry | 6,000 |
| Wines | 9,000 |
| Spirits | 4,500 |
| S. Provision and stores | 3,750 |
| Beers | 2,250 |

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Minerals 1,800

Laundry exp. 900

Cigar 2,400

Coal and gases 3,600

Lighting 1,800

General expenses 2,700

Sales :

Wine 6,000

Spirits 3,750

Beers 4,500

Mineral 3,000

Cigar 1,050

Visitors Account 9,000

S. Creditors 18,000

Charges Income :

Meal 52,500

Rooms 27,000

Fire in Bedrooms 1,500

Washing charges 450

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Repairs, Renewal, Dep. :

| | |
|--------------------|-------|
| Premises | 600 |
| Furniture | 600 |
| Glass and China | 1,200 |
| Linen | 900 |
| Cutlery and plates | 450 |

Adjustment :

Closing stock : Wine ₹ 1,500, Spirits ₹ 1,500, Beers ₹ 750, Mineral ₹ 300, Cigar and cigarettes ₹ 450, S. Provision ₹ 1,500, Coal ₹ 600. Prepare final A/c of Gavran Tadaka Hotel for the year ended 31st Dec. 2022.

2. The Royal Coal Company leased coal mine from Prasad for a period of 25 years, from 1st January, 2011. The company agree to pay a minimum rent of ₹ 10,000 in 2011, ₹ 20,000 in 2012 and ₹ 30,000 of thereafter per merging (2013, 2014). The royalty of ₹ 4 per ton with a power to Recoupment short working over the first three year only. The Annual output for the first four years was as under :

| Year | Tons |
|------|--------|
| 2011 | Nil |
| 2012 | 7,000 |
| 2013 | 21,000 |
| 2014 | 24,000 |

Pass Journal entries in the books of Royal Coal Company and show necessary ledger A/c.

Or

Chanda Mining Company took a coal field on lease from Rohit Brothers from 1st Jan., 2016. Royalty was at ₹ 2 per ton of coal taken out. Minimum rent was ₹ 10,000 per year. Short working were to be recovered within first four years of contract. The coal taken during the first four years was as follows :

| Year | Tons |
|------|-------|
| 2016 | 2,000 |
| 2017 | 3,500 |
| 2018 | 5,500 |
| 2019 | 8,500 |

Pass Journal entries in the books of Chanda Co.

3. From the following Trial Balance of Mr. Soham prepare Crop Account, Live-stock A/c and Profit and Loss A/c for the year ended 31st March, 2022 and Balance Sheet as on that date : 15

(1) Opening Stock :

| | |
|-------------|------------|
| Livestock | ₹ 1,22,000 |
| Paddy | ₹ 8,000 |
| Cattle feed | ₹ 5,600 |
| Fertilizer | ₹ 4,400 |

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(2) Purchases :

Livestock ₹ 23,200

Fertilizer ₹ 4,800

Seeds ₹ 2,400

Cattle feed ₹ 13,600

(3) Crop expenses :

Labour ₹ 14,400

Other expenses ₹ 1,600

(4) Livestock expenses :

Medicines ₹ 2,400

Labour ₹ 14,400

Dairy exp. ₹ 3,200

(5) General exp. ₹ 24,000

(6) Tractor ₹ 72,000

(7) Land ₹ 2,00,000

(8) Cash at bank ₹ 34,000

(9) Sales :

Milk ₹ 60,800

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| | | |
|------|-----------|------------|
| | Paddy | ₹ 1,05,200 |
| | Livestock | ₹ 18,000 |
| (10) | Creditor | ₹ 23,600 |
| (11) | Capital | ₹ 3,42,400 |

Adjustments :

(1) The owner consumed for his family out of farm output :

| | | |
|--|-------|---------|
| | Milk | ₹ 9,600 |
| | Paddy | ₹ 2,400 |

(2) Closing stock :

| | | |
|-----|--------------|------------|
| (a) | Livestock | ₹ 1,20,000 |
| (b) | Paddy | ₹ 6,000 |
| (c) | Cattle foods | ₹ 3,600 |
| (d) | Fertilizer | ₹ 2,400 |

(3) Charge depreciation on tractor at 10% to Crop A/c

(4) Cow dung of ₹ 8,000 used as manure in crop.

Or

From the following balances prepare Dairy A/c, Poultry A/c and Profit and Loss A/c for the year ended 31st March, 2022 :

(1) Opening stock :

| | | |
|--|-------------|----------|
| | Cattle | ₹ 25,000 |
| | Cattle food | ₹ 4,000 |

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Poultry ₹ 5,000

Poultry food ₹ 750

(2) Purchases :

Cattle ₹ 17,500

Cattle foods ₹ 7,500

Poultry ₹ 12,500

Poultry foods ₹ 2,500

(3) Wages ₹ 6,000

(4) Insurance ₹ 500

(5) Depreciation ₹ 750

(6) Repairs ₹ 750

(7) Sales :

Cattle ₹ 15,000

Poultry ₹ 9,000

Butter ₹ 1,000

Milk ₹ 5,000

Eggs ₹ 7,500

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(8) Closing stock :

Cattle ₹ 32,500

Cattle food ₹ 4,500

Poultry ₹ 10,000

Poultry food ₹ 1,250

Owner consumed : Butter ₹ 250, Milk ₹ 1,800, Eggs ₹ 400,

Poultry ₹ 250.

4. The following is the balance sheet of Asian Company Ltd. as on
31st Dec., 2022 : 15

| Liabilities | ₹ | Asset | ₹ |
|---------------------|-----------------|--------------------|-----------------|
| Share capital : | | Land & Building | 1,10,000 |
| 2000 shares of | | Plant & Machinery | 1,30,000 |
| ₹ 100 each | 2,00,000 | Patent & Trademark | 20,000 |
| General Reserve | 40,000 | Closing stock | 48,000 |
| Capital Reserve | 60,000 | S. debtors | 88,000 |
| Profit and Loss A/c | 32,000 | Bank Balance | 52,000 |
| Sundry Creditor | 1,28,000 | Priliminary Exp. | 12,000 |
| | 4,60,000 | | 4,60,000 |

P.T.O.

Additional Information :

- (i) Expert value of – Goodwill ₹ 1,60,000, Land and Building ₹ 2,40,000, Plants and Machinery ₹ 1,20,000.
- (ii) Out of total debtors ₹ 8,000 are bad debts.
- (iii) Compute the value of shares by Net Asset method.

Or

The following is the Balance Sheet of Govind Company Ltd. as on 31st March, 2022 :

| Liabilities | ₹ | Asset | ₹ |
|--------------------|------------------|----------------|------------------|
| Share capital : | | Fixed Assets | 11,00,000 |
| 90000 shares of | | Current Assets | 4,00,000 |
| ₹ 10 each | 9,00,000 | Goodwill | 1,00,000 |
| General Reserve | 2,00,000 | | |
| Profit & Loss A/c | 40,000 | | |
| 5% Debenture | 2,00,000 | | |
| S. Creditors | 2,60,000 | | |
| | 16,00,000 | | 16,00,000 |

Additional Information :

- (i) Profit for first three years were—Ist year 1,00,000, IInd year 1,06,000, IIIrd year 1,04,500.
- (ii) Out of average profit 20%, amount transfer to General Reserve and NRR is 10%.
- (iii) Compute value of shares by net asset and yield method.

5. Write short notes on (any two) : 10

- (i) Account period concept
- (ii) Nature of Royalty
- (iii) Going concern concept
- (iv) Need for valuation of shares.