

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**MASTER OF COMMERCE (M.COM.)**  
**EXAMINATION : JUNE 2022**  
**FIRST SEMESTER**  
**Sub: Advanced Financial Accounting (MCA-111)**

**Date: 8/6/2022**

**Total Marks :100**

**Time: 2.00 pm to 5.00 pm**

**Instructions:**

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.

**Q.1 Answer the following questions. (Attempt any two)**

**(30)**

1. Jack Ltd. Pune has an overseas branch at Singapore. The following is the trial balance of Singapore branch as on 31<sup>st</sup> Dec 2021

Particulars	Singapore \$	Particulars	Singapore \$
Computer & Office equipment	6000	Sales	25000
Opening Stock(1-1-2007)	2500	Creditors	1500
Salaries	3125	Head Office	8750
Debtors	6250		
Furniture	1250		
Insurance	250		
Goods from head office	5000		
Purchase	10000		
Wages	500		
Carriage inward	250		
Cash in hand	125		
	35250		35250

The head office books had the following balances as on the date of closing.

Branch Account

Rs104975

Goods sent to Branch      Rs60013

The Singapore Branch charged depreciation on computers, office equipment and furniture @10%. There were prepaid insurance \$13, outstanding wages \$25, outstanding salary \$125 and stock 31<sup>st</sup> Dec \$7500.

The exchange rate between the head office and branch currencies is fairly stable at \$ 1=10.

Convert the trial balance.

2. From the following Trial Balance of Akshay Co- Operative consumer society Ltd. Pune, as on 31<sup>st</sup> March 2021 , Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March 2021 and Balance Sheet as on that date after considering the adjustment given thereafter.

Trial Balance

Particulars	Debit Rs.	Credit Rs.
Share Capital		80000
Calls in Arrears	5000	
Reserve Fund		7500
Common Good Fund		2500
Opening Stock of Consumer Goods	55000	
Furniture	24000	
Education Fund		4000
Sundry Creditors		10000
Sundry Debtors	15000	
Commission Payable		2000
Salaries	35500	
Commission	8700	
Rent, Rates and Taxes	10000	
Postage	6050	
Land	4500	
Interest on Investment		5000
Equipment	10000	
Purchase	820000	
Investments	50000	
Sales		1030250
Cash in Hand	12500	
Cash at Bank	85000	
	11,41,250	1141250

Adjustments:

1. Outstanding rent payable on 31<sup>st</sup> March 2021 was Rs. 500.
  2. Charge 5% depreciation on furniture.
  3. Closing Stock of consumer's goods is valued at cost Rs. 70000.
  4. Interest accrued on investment Rs. 1000.
  5. Outstanding salary on 31<sup>st</sup> March 2021 was Rs. 1000 and Rs. 1500 paid in advance.
  6. Authorized Capital 10000 shares of Rs 10 each.
3. Ramesh leased his car valued Rs.89730. A lease Rental Rs.30000. Payable at the end of each year for 5 years. Calculate rate of interest. Verify it.  
( Factor 2.991- Lies in 20%)
- |                  |                      |      |
|------------------|----------------------|------|
| PV factor at 20% | 1 <sup>st</sup> year | .833 |
|                  | 2 <sup>nd</sup> year | .694 |
|                  | 3 <sup>rd</sup> year | .579 |
|                  | 4 <sup>th</sup> year | .482 |
|                  | 5 <sup>th</sup> year | .402 |
4. Rabbit Ltd. leased a colliery on 1<sup>st</sup> January 2019 From M/s Mack at a minimum rent of rs 40000 p.a. at a royalty of rs 3 per ton with a right to recover short working over the first three years of the lease.

The output for the first four years of the lease was as follows:

Year	Output
2019	10000
2020	12000
2021	14000
2022	20000

**Q.2 Answer the following. (Attempt any three)**

**(30)**

1. Differentiate between Private Accounting and Government Accounting.
2. Rohan Lease a car costing Rs. 80000 for 5 year term and the rental payable 20000, 25000, 30000, 25000, 20000 rept. Calculate the rate of interest implicit.

Factor 3.33 is between 14% and 16%

PV factor	14%	16%
1st year	0.877	0.862
2nd year	0.769	0.743
3rd year	0.675	0.641
4th year	0.592	0.552

5th year	0.519	0.476
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3. . Coal India Ltd. worked a coal mine under a lease which provided the following information.
1. Royalty to be paid at 50 paisa per ton of coal.
  2. Minimum Rent at Rs. 18000 p.a.
  3. Each year's excess of minimum rent over the actual Royalties was to be recouped during the next 3 years.
  4. If in any year the normal rent was not attained due to strike or accident, the minimum rent was to be reduced proportionately according to the length of stoppage.

Following was the output.

Year	Tons
2005	6000
2006	28000
2007	36000
2008	48000
2009	30000
2010	72000

During the year 2009 there was a strike for 4 months.

Write up the Royalty A/c., Landlord A/c. in the company's books of accounts.

4. Explain Independent branch in detail.
5. Explain the liabilities side of Balance-sheet.

**Q.3 Write short notes. (Attempt any four) (20)**

1. Types of Lease
2. Carbon Credit Accounting
3. Dependent Branch
4. Short Working
5. Foreign Branch
6. Fixed Assets

**Q.4 Select the Correct Alternatives (Attempt Any Ten) (20)**

- 1 Special donations are carried to the.....of the balance sheet.
  - a) Liabilities side
  - b) Assets side
  - c) Both A & B
  - d) None of them
- 2 Under debtors system, the branch account is.....
  - a) Personal Account
  - b) Nominal Account
  - c) Real Account
  - d) None of them
- 3 Goods sent by branch x to branch y, will be debited to.....
  - a) Branch X
  - b) Branch Z
  - c) Branch Y
  - d) Both A & B
- 4 Excess of minimum rent over royalties is called:
  - a) Short working
  - b) Dead rent
  - c) Royalties
  - d) None of them

- 5 Royalty account is the nature of
- a) Real account
  - b) Personal Account
  - c) Nominal Account
  - d) None of them
- 6 When royalty is paid in the book of lessee, it is debited to
- a) Royalty account
  - b) P & L account
  - c) Landlord account
  - d) Lessee account
- 7 The word ..... literally means to work together or act together.
- a) Organization
  - b) Co-operation
  - c) Company
  - d) Association
- 8 The balance of royalty payable account is transferred to—
- a) Profit and loss account
  - b) Royalties suspense account
  - c) Production account
  - d) None of them
- 9 Which of the following is not an asset?
- a) Building
  - b) Furniture
  - c) Machinery
  - d) Loan from bank
- 10 Which of the following is not a liability?
- a) Debenture
  - b) Loan
  - c) Bank overdraft
  - d) Machinery
- 11 Which of the following is a formula of working capital?
- a) Current assets + Current liabilities
  - b) Current assets - Current liabilities
  - c) Current assets – Long term liabilities
  - d) Share capital + Fixed assets
- 12 Which of the following is not a current liability?
- a) Creditors
  - b) Bank over draft
  - c) Short term loans
  - d) Debenture
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