

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF COMMERCE (M. COM.)
EXAMINATION: DECEMBER 2022
THIRD SEMESTER
Sub: Advanced Accounting (MCA - 311)

Date: 7/12/2022

Total Marks :60

Time: 2.00 pm to 4.30 pm

Instructions:

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

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

(32)

1. The following Trial Balance, you are required to prepare Income and Expenditure Account of Advocate Akash Mishra for the year ended 31.03.2022 and also prepare the balance sheet as on that date.

Particulars	Debit Rs.	Credit Rs.
Cash in Hand	1,150	
Bank Overdraft		50,250
Capital		8,45,510
Loan Payable		2,00,000
Leasehold Premises	1,80,000	
Computer	2,73,000	
Furniture	15,000	
Stationary	1,45,580	
Professional fees Received		11,07,600
Interest Received		1,20,000
Salaries	2,14,350	
Repairs to Furniture	1,00,300	
Repairs to Computer	1,02,500	
Office Rent	3,06,000	
Drawing	1,04,100	
Interest	54,860	

Car	10,00,000	
Miscellaneous Income		1,73,480
	2496840	2496840

- (i) Provide depreciation on computers @ 25%.
(ii) Salaries of Rs. 18000 for the month of March 2022 are still outstanding.
(iii) Stock of Stationary in hand at the end was Rs. 1000.

2. Sun Products Nagpur sent on consignment to Moon Bros. of Pune, 100 tables costing Rs.500 each. The consignee was to be allowed a commission of 5 % on sales. They accepted a bill of Rs. 15000 at 3 months as an advance. The consignor discounted the bill immediately at 6% p.a.

Sun Products paid an Rs. 3000 for freight and Rs. 2000 for wages on sending the goods. Moon Bros. paid Rs 4000 for custom duties, wages etc.

After two months Moon Bros. sent an account sales stating that 70 tables were sold at Rs. 800 each and other account sales sent after a month, it was stated that the remaining tables were sold at Rs. 760 each. The consignee sent a bank draft for the balance after deducting their commission.

Give journal entries and prepare necessary accounts in the books of Sun Products Nagpur.

3. Explain the concept of Capital Expenditure and Revenue Expenditure
4. From the following information as on 31st March, 2014 prepare the Revenue Account of Birla Co. Ltd. engaged in Marine Insurance Business. Prepare Revenue Account of Marine Insurance Business before and after insurance (Amendment) Act 2002 became effective.

Particulars	Direct Business Rs.	Re- Insurance Rs.
1. Premium Received	24,00,000	3,60,000
Receivable- 1 st April 2013	1,20,000	21,000
31 st March 2014	1,80,000	28,000
Premium Paid	2,40,000	
Payable – 1 st April 2013		20,000
31 st March,2014		42,000
2. Claims		
Paid	16,50,000	1,25,000
Payable -1 st April 2013	95,000	13,000
31 st March,2014	1,75,000	22,000

Received		1,00,000
Receivable – 1 st April 2013		9,000
31 st March 2014		12,000
3. Commission		
On insurance Accepted	1,50,000	11,000
On insurance ceded		14,000

Other expenses and income:

Salaries Rs. 2,60,000; Rent Rates and Taxes Rs. 18,000; Printing and stationary Rs.23000; Indian income tax paid Rs. 240000; Interest, dividend and rent received Rs 115000; Income tax deducted at the source Rs.24500, Legal expenses (inclusive of Rs 20000 in connection with the settlement of claims) Rs. 60000; Bad debts Rs, 5000; Double income tax refund Rs. 12000; Profit on sale of Motor Car Rs. 5000.

Balance of fund on 1st April 2001 was Rs 2650000 including additional reserve of Rs. 325000. Additional reserve has to be maintained at 5% of the net premium of the year.

Q.2 Answer the following. (Attempt any one) (08)

1. Explain the branches of Accounting.
2. The revenue account of an Star Health, life insurance company shows the life assurance funds on 31st March 2014 at Rs 60,21,310 before taking into account the following items:
 - (i) Claims covered under reinsurance Rs.22000
 - (ii) Bonus utilized in reduction of life insurance premium Rs. 14,500
 - (iii) Interest accrued on securities Rs. 18,260
 - (iv) Outstanding premium Rs. 15,410
 - (v) Claims intimated but not admitted Rs. 36,500.

What is the life assurance fund after taking into account the above omission?

3. Distinguish between Receipts & Payment Account and Income & Expenditure Account

Q.3 Write short notes. (Attempt any two) (10)

1. Purchase commission
2. Valuation of inventories
3. Cash Flow Statement
4. Fund flow statement

Q.4 Select the Correct Alternatives (Attempt Any Ten) (10)

1. As – 3 -----
 - 1) Valuation of inventories
 - 2) Cash flow statement
 - 3) Disclosure of accounting policies
 - 4) Fund flow statement

2. ----- is additional commission payable to consignee for taking over additional responsibility of collecting money from customers.
- | | |
|------------------------|------------------------|
| 1) Sales Commission | 2) Purchase commission |
| 3) Decreder commission | 4) Prepaid commission |
3. Plant & Machinery is show in -----
- | | |
|--------------------------|------------------|
| a) Receipt & Payment A/c | b) Balance Sheet |
| c) Trading A/c | d) None of these |
4. Excess of expenditure over income in Income & Expenditure account is called as -----
- | | |
|------------|-----------|
| 1) Deficit | 2) Loss |
| 3) Surplus | 4) Profit |
5. ----- is statements which shows the debit balance as and credit balance of all ledger A/c.
- | | |
|------------------|------------------|
| 1) Balance sheet | 2) Trial balance |
| 3) Cash book | 4) Purchase book |
6. ----- means an activity requiring some special qualification skill or ability
- | | |
|-------------|---------------|
| 1) Business | 2) Trade |
| 3) Vocation | 4) Porfession |
7. ----- is a formal written document containing the terms of the contract of insurance.
- | | |
|-------------------|--------------------|
| 1) Policy | 2) Agreement paper |
| 3) Contract paper | 4) Receipt |
8. ----- insurance covers the risk related to motor car
- | | |
|------------|---------|
| 1) General | 2) Life |
| 3) Marine | 4) Fire |
9. Goodwill is shown under ----- .
- | | |
|----------------|----------------------|
| 1) Asset | 2) Liabilities |
| 3) Trading A/c | 4) Profit & Loss A/c |
10. ----- is a periodical statement prepared and sent by consignee to the consignor giving details of all sales.
- | | |
|---------------------------|-----------------|
| 1) Closing stock and sale | 2) Account sale |
| 3) Opening stock of sale | 4) Credit |
11. . ----- standard is related to contingencies and event occurring after the

Balance sheet statement.

1) AS – 2

2) AS – 1

3) AS - 4

4) AS – 5

12. Sales ----- + profit.

1) Price

2) Cost

3) Tax

4) MRP
