

E (100)
Batch(2021-22 till 2022-23)

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF COMMERCE (M.COM.)
EXAMINATION : MAY - 2023
FIRST SEMESTER
Sub: Advanced Financial Accounting (MCA-111)

Date: 30/05/2023

Total Marks :100

Time: 10.00 am to 1.00 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. From the following Trial balance of Akshay Co-operative Consumer society Ltd., Pune as on 31st March 2022 and balance sheet as on that date after considering the adjustments given thereafter.

Particulars	Debit Rs.	Credit Rs.
Share capital		80000
Calls in arrears	50000	
Reserve fund		7500
Common good fund		2500
Opening stock of consumer's 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
Equipments	10000	
Purchases	820000	
Investments	50000	
sales		1030250
Cash in Hand	12500	
Cash at Bank	85000	
Total	1141250	1141250

Adjustments:

1. Outstanding rent payable on 31st March 2022 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 31st March 2022 was Rs. 1000 and Rs. 1500 paid in advance.
 6. Authorized Capital 2000 share of Rs. 5 each.
2. 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
2017	6000
2018	28000
2019	36000
2020	48000
2021	30000
2022	72000

During the year 2021 there was a strike for 4 months.

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

3. Following is the trial balance of Sachi Ltd. On 31st march 2022, the following balances appeared in the books of Mumbai Branch of London firm

Particulars	Rs.	Rs.
Stock 1.4.2021	12600	
Purchases and sales	75000	112500
Debtors and creditors	39000	26000
Bills receivable and Bills payable	10400	9100
Salaries and wages	4800	
Rent, rates and taxes	5100	
Furniture	4910	
Cash at bank	28990	
London A/c.		33200
Total	180800	180800

Stock on 31st March 2022 was Rs. 32500. Branch account in the London books showed a debit balance of £2680 pounds on 31st march 2021 and furniture appeared in H. O. books at £350 Pounds. The rate of exchange on 31st march 2021 Rs.14 and on 31st march 2020 Rs.13. The average rate for the year 2021-22 was Rs.12.

Prepare in the H. O. Books the profit and loss account and balance sheet of the branch

4. The Bombay Coal. Co. Ltd leased a piece of land form Zeanath for ten years from 1st January 2018 on the following terms.-

The Bombay Coal Co. Ltd. shall pay a minimum lent of Rs. 1400 per year for the first year with an annual increase of Rs. 140 in every subsequent year in the minimum lent merging into a royalty of 25 paise per ton of coal taken out with power to coup short working in the first three years only. The annual output for five years was as under

Years	Tons
2018	2400
2019	5200
2020	9400
2021	12,200
2022	4920

Record the above transactions in the books of the Bombay Coal Co. Ltd. by means of Journal entries

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

(30)

- Differentiate between Private Accounting and Government Accounting
- Riya 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

3. Explain the Principles of co-operative sector
4. Features of lease in detail
5. What do you mean by branch? And state the types of branch

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

(20)

1. Carbon credit accounting
2. Features of lease
3. Types of societies
4. Independent branch
5. Private accounting
6. Objectives of branch accounting

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

(20)

- 1 Number of Indian companies generates carbon credit under _____.
 - a) International Emission Trading
 - b) Clean Development Mechanism
 - c) Joint implementation
 - d) Government accounting
- 2 When a branch is located in a foreign country is called as _____ branch.
 - a) Dependent
 - b) Indian
 - c) Independent
 - d) Foreign
- 3 Minimum rent is also called as _____.
 - a) Dead rent
 - b) Short workings
 - c) Recoupment
 - d) Surplus
- 4 Every society must carry _____ % of profit to reserve fund
 - a) 25.5
 - b) 20
 - c) 35
 - d) 25
- 5 Foreign branch is a type of _____ branch.
 - a) Cash in transit
 - b) Dependent
 - c) Goods in transit
 - d) Independent
- 6 _____ runs the risk of obsolescence of asset under finance lease.
 - a) Lessee
 - b) Lessor
 - c) lessor and lessee both
 - d) None
- 7 Global warming means _____ in the average temperature of the air and oceans as the surface of the earth.
 - a) Increase
 - b) Decrease
 - c) Equalization
 - d) Increase and Decrease
- 8 Short workings =
 - a) Minimum rent (-) Royalty
 - b) Royalty (-) minimum rent
 - c) Surplus (-) royalty
 - d) Royalty (-) Surplus
- 9 The final accounts of co-operative society is prepared in _____ form.
 - a) A
 - b) M

- c) N
d) O
- 10 Patent royalties are based on _____.
- a) Production
b) Sales
c) Turnover
d) Profit
- 11 _____ means a society the object of which is protection of the crops, structures, machinery, agricultural implements and other equipment.
- a) Crop protection society
b) Farming society
c) Irrigation society
d) Apex society
- 12 The first leasing company in India was set up in _____.
- a) 1963
b) 1973
c) 1999
d) 1953
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