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MASTER OF COMMERCE (M.COM.)
EXAMINATION : MAY - 2024
THIRD SEMESTER
Sub: Advanced Accounting (MCA-311)

Date: 23/05/2024

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. On 1st July 2023 A Ltd., acquired 7,500 shares of Rs. 100 each in B Ltd. at a cost of Rs. 160 per share. The total number of shares in B Ltd. is 10,000. In August 2018, B Ltd. paid a dividend of Rs. 10 per share for the year ending 31st March 2023. In September, 2020 A Ltd. sold 500 shares in B Ltd. @ Rs. 155. At what figure will be the Investment account now stand in the books of A Ltd.
2. A company incorporated on 1st May 2022, acquired a business as a going concern with effect from 1st Jan 2022. The first accounts were drawn up to September 30, 2022.

The gross profit is Rs. 2,24,000. The general expenses are Rs. 56,880, director's remuneration Rs. 4,000 per month, formation expenses amounted to Rs. 6,000, rent which till June 30, 2022 was Rs. 400 per month. Was increased to Rs. 12,000 p. a. from July 1, 2022.

The manager of the earlier firm whose salary was Rs. 2,000 p.m. was made as director upon the incorporation and his remuneration thereafter is included in the figure of director's remuneration given earlier.

Prepare profit and loss account for the period and find out the profit available for dividends and the profit prior to incorporation.

3. From the following balance sheet of H Ltd. and its subsidiary S Ltd. drawn up at 31st March 2023, prepare a consolidated balance sheet as at that date, having regard to the following
 - a) Reserves and profit and loss account (cr) of S Ltd. stood at Rs. 25,000 and Rs. 15,000 respectively on that date acquisition of its 80% shares by H Ltd.
 - b) Machinery (book value Rs. 1,00,000) and furniture (book value Rs. 20,000) of S Ltd. were revalued at Rs. 1,50,000 and Rs. 15,000 respectively for the purpose of fixing the price of its shares, book values of other assets remains unchanged. The values are to be considered for consolidation purposes.

Balance sheet of H Ltd. as on 31st March 2023.

Particulars	H Ltd.	S Ltd.
1. Equity and Liabilities		
a) Share capital		
Equity shares of Rs. 100 each fully paid	5,00,000	1,00,000
b) Reserves and Surplus		
General reserve	2,00,000	75,000
Profit and loss account	1,00,000	25,000
2. Current liabilities		
Trade payables	1,50,000	50,000
	9,50,000	2,50,000
Assets		
1. Noncurrent Assets		
a) Fixed assets		
Machinery	3,00,000	90,000
Furniture	50,000	17,000
Other assets	4,40,000	1,43,000
b) Long term Investment		
800 shares of Rs. 200 each in S Ltd. (at cost)	1,60,000	-
	9,50,000	2,50,000

4. What is meant by Human Resource Accounting? What are the objectives of Human Resource Accounting?

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

(30)

1. Draft Balance-Sheet in detail.
2. Discuss the importance of Investment.
3. From the following figures calculate the value of a share of Rs. 10 on a) divided basis and ii) return on capital employed basis, the market expectation being 12%

Year ending 31st March	Capital employed	Profit	Dividend (%)
2008	5,00,000	80,000	12
2009	8,00,000	1,60,000	15
2010	10,00,000	2,20,000	18
2011	15,00,000	3,75,000	20

4. What is meant by environment accounting? Explain its objectives in detail.
5. What is meant by Amalgamation? Explain methods of amalgamation in detail.

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

(40)

1. Share capital
2. Intangible assets
3. IFRS-2
4. Minority Interest
5. Current liabilities
6. Surplus
7. Acquisition
