MCOSC-1.1A/C

Sl.No. :

Total No. of Pages : 7

First Semester M.Com. Degree Examination, June - 2025
(CBCS) (SLM Scheme)
COMMERCE (Course - IV)
Softcore Stream Course-I : Advanced Financial Accounting

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Answer any FOUR questions. Each question carries Five marks. [4 × 5 = 20]

Q1) What are the methods for calculation of underwriter's liability.

Q2) Briefly explain different types of shares.

Q3) Write a note on pooling of interest method?

Q4) What is internal reconstruction? What are the types?

Q5) Distinguish between branch accounts and departmental accounts.

Q6) What are the important concepts to be known while preparing the balance sheet?

SECTION - B

Answer any THREE questions. Each question carries TEN marks.[3 × 10 = 30]

Q7) Explain different methods of valuation of shares with examples.

Q8) Elucidate the different methods of winding up of the company.

Q9) Explain legal provision for internal reconstruction.

Q10) Bharat Company., went in voluntary liquidation on 31-12-2023 when its Balance Sheet was as follows.

Liabilities	₹	Assets	₹
Share capital :			
50,000 equity shares of ₹ 10 each, fully paid less calls in arrears amounting to ₹ 25,000	4,75,000	Freehold property	5,80,000
6,000-5% cumulative preference shares of ₹ 100 each	6,00,000	Machinery	2,89,000
Share premium	50,000	Motor vehicles	57,500
5% Debentures	1,00,000	Stock	1,86,000
interest on Debentures due	2,500	Debtors	74,000
Bank overdraft	58,000	Profit and Loss A/c	2,14,000
Creditors	1,15,000		
	14,00,500		14,00,500

Additional information :

a) The preference dividends are in arrears from the year 2018.

b) According to the articles of the company, these arrears will be paid, if the company is solvent.

c) The liquidator realized the assets as follows.

Freehold property	7,00,000
Machinery	2,40,000
Motor vehicle	49,000
Stock	1,50,000
Debtors	60,000
Calls in arrears	25,000

d) Creditors were paid less discount of 5%.

e) The debentures were repaid on 31-12-2023 together with interest.

f) Liquidation costs were ₹ 3,820.

g) Liquidators remuneration was 2% on the amount realized.

Prepare the Liquidators Final Statement of Account.

Q11) S Ltd. Bangalore, a Trading company has a Branch at Vijayanagar. All purchases are made by H.O. and goods sent to the Branch are invoiced at selling price which is 20% above cost at Branch are on credit items. Branch expenses are paid by H.O. and all cash received by the Branch is remitted to H.O. All Branch transactions are recorded in the head office books. Following information is given to you.

	₹
Branch stock (at cost to Branch) on 1-1-2023	46,800
Branch Debtors on 1-l-2023	33,475
<u>Transactions during the year 2023 were :</u>	
Goods sent to Branch at invoice price	4,21,980
Returns from Branch to H.O.at invoice price	8,346
Branch Sales	4,39,140
Return from customers to Branch	4,602
Cash received from Branch Debtors	4,27,024
Discount allowed to Branch Debtors	18,395
Branch expenses paid	52,351

Branch stock at 31st December, 2023 (at invoice price) was ₹ 25,506 and expenses outstanding on that date were ₹ 650

You are required to show Branch Account, Branch Debtors Account and Branch Profit and Loss Account in the ledger of Head Office for the year to 31st December, 2023.

SECTION - C

Answer any TWO questions. Each question carries FIFTEEN marks.[2 × 15 = 30]

Q12) On 31st March, 2024 the Balance Sheet of Virat Ltd. was as follows :

Liabilities	**₹**	**Assets**	**₹**
Share Capital:		Land and Buildings	2,20,000
Authorised and Issued :		Plant & Machinery	95,000
5,000 equity shares of	5,00,000	Stock	3,50,000
₹ 100 each fully paid			
Surplus Account	1,03,000	Sundry Debtors	1,55,000
Bank Overdraft	20,000		
Sundry Creditors	77,000		
Provision for taxation	45,000		
Proposed Dividend	75,000		
	8,20,000		**8,20,000**

The net profit of the company, after deducting all working charges and providing for depreciation and taxation were as under :

Year ended 31st March :	₹
2020	85,000
2021	96,000
2022	90,000
2023	1,00,000
2024	95,000

On 31st March, 2023, Land & buildings were valued at ₹ 2,50,000 and Plant & Machinery at ₹ 1,50,000. In view of the nature of the business, it is considered that 10% is a reasonable return on capital.

Calculate the value of the company's share after taking into account the revised values on fixed assets and valuation of goodwill based on five years purchase of the annual super profits and the average profit of the last five years.

Q13) Elucidate the provisions of companies Act 2013 and highlight the regulations of SEBI regarding the issue of bonus shares.

Q14) Explain the methods and factors to be considered for valuation of goodwill.

Q15) The following Trial Balance was taken from the Books of S Ltd. On 31st March, 2024.

Particulars	Dr.₹	Cr.₹	Particulars	Dr.₹	Cr.₹
Share Capital		6,00,000	Motor Car Sales		14,200
Goodwill (at cost)	2,30,000		Profit & Loss A/c		54,000
Land and Building(at cost)	4,00,000		Income-Tax		
Plant and Machinery (at cost)	4,20,000		(Ass.Year2023-24)	58,000	
Office Equipment (at cost)	30,000		Advance Tax		
Motor Cars(at cost)	70,000		(Ass.Year2024-25)	70,000	
Opening Stock	35,000		Cash and Bank Balance	94,000	
Purchases	2,80,000		Provision for Depreciation		
Salaries and Wages	64,000		(1-4-2023):		
Rent and Taxes	15,000		i) Land and Building		30,000
Travelling Expenses	9,000		ii) Plant and Machinery		1,28,000
Repairs and Renewals	2,500		iii) Office Equipment		7,000
Printing and Stationery	6,500		iv) Motor Cars		25,200
Motor Car Expenses	14,900		Security Premium		20,000
Sundry Creditors		80,000	Interest on Debentures	22,500	
Sundry Debtors	1,76,000		Prepaid Expenses	3,000	
Provision for Taxation			General Reserve		62,000
(Assessment Year 2022-23)		60,000	15%Debentures(1-4-2023)		3,00,000
Sales		6,20,000			
				20,00,400	20,00,400

Adjustments :

a) Motor Car was sold on 1-4-2023. It was purchased on 1-4-2020 for ₹20,000 and depreciation at 20% p.a .on written down value was provided.

b) Closing Stock is ₹59,000.

c) Depreciation is to be provided on written down value at -

i) Land and Building 2% p.a.

ii) Plant and Machinery 20% p.a.

iii) Motor Car 20% p.a.

iv) Office Equipment 10% p.a.

v) Provide for Audit fees ₹4,000 and Income-tax at 50% of Net Profit.

vi) Directors propose to transfer ₹ 38,000 to General Reserve and recommend dividend of 10%.

vii) Debentures are secured by a floating charge on the assets.

Prepare a statement of Profit and Loss for the year ending 31st March 2024 and a Balance Sheet on that date.