

**M.Com. 3rd Semester Examination, 2023**

**COMMERCE**

*( Advanced Accounting )*

PAPER – COM-305.1 & 305.2

*Full Marks : 50*

*Time : 2 hours*

Answer **all** questions

*The figures in the right hand margin indicate marks*

*Candidates are required to give their answers in  
their own words as far as practicable*

**PAPER – COM-305.1**

1. Answer any *two* of the following : 2 × 2

(a) Write any two reasons of compulsory liquidation.

- (b) What is purchase consideration in case of merger ?
- (c) Define Human Resource Accounting.
- (d) Write any two needs of Environmental Accounting.

2. Answer any *two* of the following : 4 × 2

(a) Why human resources are not disclosed in the traditional financial statements ?  
Explan.

(b) A five star hotel in Kolkata has 350 rooms in all, out of which 25 rooms are used for hotel's own operational purpose, 3 rooms are used by the managers and another 2 rooms are used by other staffs. If 280 rooms are used by the guests on 25.12.2023. Calculate the room Occupancy rate.

(c) Illustrate social costs and social benefits.

(d) Distinguish between : 2 + 2

- (i) Amalgamation and Absorption  
 (ii) External and Internal reconstruction.

3. Answer any *one* of the following : 8 × 1

(a) The Balance sheet of Afridi Ltd. as on 31st December, 2022 is as follows :

<i>Liabilities</i>	Rs.	<i>Assets :</i>	Rs.
Paid-up Capital :		Fixed Assets :	
1,000, 8% Preference shares of Rs. 100 each	1,00,000	Land and Building	2,00,000
2,000 Equity share of Rs. 100 each fully paid	2,00,000	Plant and Machinery	2,20,000
3,000, Equity shares of Rs. 100 each Rs.50 paid	1,50,000	Current Assets :	
Secured Loans :		Stock	1,00,000
5% Debenture (floating charge on all assets)	1,00,000	Debtors	1,00,000
Others (Mortgage on Loan and Building)	1,00,000	Cash at Bank	30,000
Current Liabilities :		Miscellaneous Expenditure	
Sundry Creditors	90,000	Profit and Loss A/c	1,00,000
Income Tax	10,000		
	<b>7,50,000</b>		<b>7,50,000</b>

The Company went into liquidation in 1st January 2023. The Preference dividends were in arrear for two years. The arrears are payable on liquidation. The assets were realized as follows :

Land and Building	2,50,000
Plant and Machinery	1,90,000
Stock	70,000
Debtors	60,000

The expenses of liquidation amount to Rs. 10,000. The liquidator is entitled to a commission at 2% on all assets realized and 3% on amount distributed to unsecured creditors. All payments were made on 30th June 2023. Prepare Liquidator's Final Statement of Account.

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- (b) (i) Write any three differences between Value Added Statement and Profit and Loss Statement.

(ii) The following figure for a period was called out from the books of Value Corporation :

<i>Particulars</i>	Amount (Rs.)
Sales	30,50,000
Purchase of raw materials	11,00,000
Consumable stores	25,000
Packing materials	10,000
Stationery	1,000
Audit fees	4,000
Staff well fare expenses	1,58,000
Insurance	26,000
Rent, rate and taxes	16,000
Managing director remuneration	75,000
Fuel and oil	20,000
Electricity	15,000
Advertisement	25,000
Salaries & Wages	6,30,000
Postage and telegrams	14,000

Contribution to PF	60,000
Directors seating fees and travelling :	
Expenses	40,000
Carriage	22,000
Interest on loan taken	18,000
Dividend to shareholders	30,000
Depreciation provided	55,000
Income tax provided	1,00,000
Retained earnings	1,25,000
Subsidy received from Govt.	15,000
Opening stock :	
Raw material	85,000
Finished goods	2,00,000
Closing stock :	
Raw material	1,05,000
Finished goods	2,30,000

From the above you are required to prepare a statement detailing the source of added value using Subtractive method. 3 + 5

**PAPER – COM-305.2**

5. Answer any *two* questions : 2 × 2

(a) What is non-banking asset ?

(b) What is short sale ?

(c) Define Monority Interest in holding Company

(d) What is reinsurance ?

6. Answer any *two* questions : 4 × 2

(a) What is difference between Revenue account and Profit and Loss Account of a General Insurance Company ?

(b) How is Consolidated Balance Sheet prepared by a Holding Company ?

(c) Tong Ltd. has 6,00,000 shares of ₹ 10 each. On 30th. May 2019, Ting Ltd. purchased 90% share of Tong Company Limited at a cost of ₹ 15,00,000.

Prepare

(a) Statement of Cost of Control and

(b) Minority Interest in the books of Ting Ltd. as on 31.3.2020 and 31.3.2019. Some figures of Balance Sheet of Small Limited is shown in the following table :

Particular	2018-19	2019-20
Profit & Loss Account	₹ 12,00,000	₹ 13,50,000
General Reserve	₹ 5,40,000	₹ 5,62,500

(d) Prepare a format of schedule of a insurance company relating to Premium and Commission.



7. Answer *one* question :

8 × 1

(a) PQR Ltd. has a loss of profit insurance policy of Rs. 6,20,000 under which the period of indemnity is 3 months. His accounts for the year ended 31st December 2021 and a net profit of Rs. 8,00,000. The standing charges amounted to Rs. 40,000. On 1st April 2022 a fire occurred which has resulted in suspension of a part of business activities. Prepare a statement of claim. He presented the information put in a table next page :

Sales of PQR Ltd.:

Quarter	2021 (₹)	2022(₹)
January-March	23,60,000	21,24,000
April-June	20,30,000	7,00,000
July-September	20,00,000	18,00,000
October-December	16,10,000	14,49,000

(b) Prepare Profit & Loss Account of Universal Bank Limited as on year ended 2020-21 from the following information :

<i>Particulars</i>	2020-21 ( ₹ )	2021-22 ( ₹ )
Premises	28 cr	27 cr
Civil construction during the year	2 cr	—
Depreciation foe Building	5 lakh	4 lakh
Plant & Machinery	20 lakh	18 lakh
Repairs	2 lakh	1 lakh
Depreciation for machinery	8 lakh	7 lakh
Term Loan (Guaranteed by Govt.)	10 cr	12 cr
Overdraft	22 cr	18 cr
Mortgage loan	28 cr	32 cr
Unsecured loan	35 cr	30 cr

<i>Particulars</i>	2020-21 ( ₹ )	2021-22 ( ₹ )
Investment in India	22 cr	18 cr
Investment in US Shares	5 cr	6 cr
Savings bank	12 cr	9 cr
Term Deposit from Bank	20 cr	18 cr
Term Deposit from retail depositor	12 cr	11 cr
Deposit of Branch in India	45 cr	42 cr
Borrowings in India by RBI	5 cr	3 cr
Borrowing in India by other Bank	10 cr	8 cr
Borrowing by LIC	8 cr	5 cr
Bills Payable	4 cr	2 cr
Provision for Bad debt	2 cr	6 cr
Interest Payable	10 cr	15 cr
Secured Borrowings	1 cr	1 cr

<i>Particulars</i>	2010-20 (₹)	2018-19 (₹)
Cash in Hand	22 lakh	21 lakh
Current Account with RBI	5 cr	6 cr
Balance with banks-in-current account	3 cr	1 cr
Balance with banks-in-fixed deposit	6 cr	5 cr
Money at call and short notice	1 cr	50 lakh
Authorised & Issued Capital	20 cr	20 lakh
Revenue Reseve on 31.3.2019	28 cr	26 cr
Revenue Reserve during the year	4 cr	3 cr
Balance in profit & loss account	??	??
Demand deposit from retail depositors	24 cr	20 cr

[ Internal Assessment – 10 Marks ]