



**Progressive Education Society's  
Modern College of Arts, Science & Commerce Ganeshkhind, Pune – 16  
(Autonomous)  
End Semester Examination: Oct. 2024  
Semester V**

**Program: B.Com.  
Program Specific: T.Y.B. Com  
Class – T Y B Com  
Course Name- Advanced Accounting I**

**Set-A  
Course Type: Elective  
Max. Marks: 70  
Course Code: 24-COB351**

***Instructions to the candidate***

- 1) All Questions are compulsory*
- 2) Answer each question on separate page.*
- 3) Use of calculator is allowed*
- 4) Attempt any two questions from Q2 to Q4*

**Q1) A) Fill in the blanks (Any five)**

**[5]**

I) Government Grants as per As-12, is to be accounted for on \_\_\_\_\_ basis

- a) Cash
- b) investment
- c) accrual
- d) vertical

II) Indian Accounting Standards are formulated on the basis of \_\_\_\_\_

- a) ICMA
- b) ICMS
- c) ICSI
- d) IFRS

III) Under the \_\_\_\_\_ method of valuation of closing investment it is assumed that the investment purchased first are sold first.

- a) LIFO
- b) FIFO
- c) Simple Average
- d) Weighted Average

IV) In the Balance Sheet of a Banking Company, investment in Silver is shown on the asset side under the heading \_\_\_\_\_

- a) Other assets
- b) Virtual assets
- c) Current assets
- d) Fixed assets

V) Ex-interest basis means the purchase price of securities \_\_\_\_\_ interest.

- a) Excludes
- b) includes
- c) outgoing
- d) incoming

VI) The expenses incurred on sale of investments are to be \_\_\_\_\_ from the sale price of investment.

- a) merged
- b) incurred
- c) shared
- d) deducted

VII) Cash flow statement exhibits the flow of \_\_\_\_\_ and outgoing of cash

- a) Incoming
- b) reversal
- c) funds
- d) operating

**B) True of False (Any five )****[5]**

- I) Investments are treated as real accounts.
- II) Interest is calculated on the face value of investment.
- III) Carrying Costs refers to the costs associated with the carrying value of investments.
- IV) A security is said to be at discount when acquired or sold at a price more than its face value
- V) AS-20 is related to Earning per share.
- VI) Capital restructuring is a corporate operation aimed at changing the ratio of equity and debt firms Capital structure.
- VII) Banking Companies in India are governed by Banking Regulation Act, 1949

**C) Match the following.****[5]**

- I) Schedule no. 1 - a) Schedule no. 20
- II) Earnings per share – b) Share capital
- III) AS-12 c) Lease
- IV) AS 19 d) Accounting for Government Grants
- V) ICAI e) Institute of chartered accountant of India

**D) Short Notes (Any 3)****[15]**

- I) Meaning of Capital Restructuring
- II) AS-12
- III) Fair Value accounting concepts
- IV) AS-19
- V) Banking Company Accounts

**Q2) The following was the Balance Sheet of Ajit Ltd., as on 31 st March 2021  
Balance Sheet as on 31st March 2021****[20]**

Liabilities	Amounts	Assets	Amounts
Share Capital:		Plant and Machinery	7,00,000
1) 14,000, 7%	14,00,000	Goodwill	2,00,000
Preference Share of		Stock	3,00,000
Rs. 100 each		Debtors	2,25,000
2) 2) 2,60,000 Equity	26,00,000	Preliminary Expense	3,00,000
Shares of Rs.10 each		Freehold Property	23,75,000
Share Premium	4,00,000	Profit and Loss	7,00,000
Sundry Creditors	4,00,000		
	48,00,000		48,00,000

The following scheme of reconstruction was approved and duly sanctioned

- i) Preference shares to be reduced to Rs. 80 per share
- ii) Equity shares to be reduced to Rs. 5 per share
- iii) Write off all intangible assets and share premium account
- iv) Freehold property to be written down to Rs. 18,50,000

Give necessary journal entries to record the above transactions in the books of Ajit Ltd.  
Also, prepare a revised Balance Sheet after the scheme of reconstruction  
as on 31 March 2021

**Q3) ) The following figures are extracted from the books of Vidya Bank as on 31st March 2021. You are required to prepare Profit and Loss account with necessary schedules.**

**[20]**

<b>Particulars</b>	<b>Amount</b>
Salaries	50,000
Profit as on 1 <sup>st</sup> April 20	100,000
Interest on Loan	3,10,000
Interest on Cash Credits	2,90,000
Interest on overdrafts	2,00,000
Interest on Balance with RBI	40,000
Income on Investment	10,000
Interest on fixed deposit	2,60,000
Interest on saving Accounts	80,000
Interest on current account	30,000
Discount on Bills Discounted	1,90,000
Interest on borrowing from other banks	10,000
Profit on sale of Investment	40,000
Loss on sale of Investment	5,000
Income from Joint Ventures	25,000
Profit on Revaluation of Investment	35,000
Loss on Revaluation of Investment	10,000
Dividends received from joint stock companies	25,000
Rent and Taxes	8,000
Depreciation on bank Assets	21,000
Sundry Income	18,000
Printing and Stationery	17,000
Repairs and Maintenance	14,000
Advertisement	6,000
Directors' fees and Allowances	9,000
Audit Fees	6,000
Law Charges	8,000
Postage and Telephone Charges	11,000
Other Expenses	4,000

#### **Adjustments**

- 1) Write off Rs. 19,000 for Bad and Doubtful Debts.
- 2) Provide 40% for taxation
- 3) Rebate on Bills Discounted is to be provided for 20,000

**Q4)** Mukesh Investment Ltd, Mumbai held 5,000 15% Debentures of Rs. 100 each in Chennai industries Ltd as on 1<sup>st</sup> April 2021 at cost of Rs 105,000. Interest is payable on 30<sup>th</sup> June and 31<sup>st</sup> December every year. On 1<sup>st</sup> May 2021, 500 Debentures are purchased cum-interest at Rs. 50,200. On 1<sup>st</sup> November 2021, 600 Debenture are sold ex-interest at Rs. 55300. On 30<sup>th</sup> November 2021, 400 Debentures are sold cum-interest for 54,000.

Prepare Investment Account Valuing the holding on 31<sup>st</sup> March 2022 at cost.  
(applying FIFO Method)

**[20]**