

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **23 UEC 310**

DURING THE ACADEMIC YEAR 2023-24 ONLY)

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2024

B.Com. E-COMMERCE

MAXIMUM MARKS: 75

SEMESTER: III

TIME : 3 HOURS

PART – III
ADVANCED ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

(K1)

1. The registration of a partnership firm under the Indian Partnership Act, 1932 is.....
 - a) Compulsory
 - b) Optional
 - c) Not required
 - d) Prohibited
2. The share of profit sacrificed by the existing partners in favor of the new partner is known as.....
 - a) Sacrificing Ratio
 - b) Gaining Ratio
 - c) Revaluation Ratio
 - d) Capital Ratio
3. Revaluation of assets and liabilities in partnership is recorded in which of the following accounts?
 - a) Capital Account
 - b) Revaluation Account
 - c) Drawings Account
 - d) Current Account
4. When shares are issued at a price equal to their nominal or face value, it is called issuing Shares.....
 - a) At Premium
 - b) At Par
 - c) At Discount
 - d) At a Loss
5. The net profit or loss from the Statement of Profit and Loss is transferred to.....
 - a) Balance Sheet
 - b) Cash Flow Statement
 - c) Share Capital Account
 - d) Profit and Loss Appropriation Account

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

(K2)

6. Define Partnership.
7. What is sacrificing ratio?
8. How do you treat goodwill when a partner retires?
9. What is intangible assets?
10. Where is "Dividend Payable" shown in the Balance Sheet?

(CONTD 2)

SECTION – B**(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) In a Partnership, partners are charged interest on drawings at 12%p.a. During the year ended 31st Dec 2023, a partner drew as follows:

01st Feb , Rs.1,500

01st May, Rs.5,500

30th June, Rs.1,500

31st Oct, Rs.6,500

31st Dec Rs.2,000

What is the interest chargeable to the partner?

(OR)

- b) Mention any five contents of 'Partnership deed'.
12. a) A and B are partners sharing profits and losses in the ratio of 3:1. They agree to admit C into partnership who is to get $\frac{1}{8}$ th share. He acquires this share as to $\frac{1}{32}$ from A and $\frac{3}{32}$ from B. Calculate the new profit sharing ratio.

(OR)

- b) X and Y are partners sharing profits in the ratio of 3:2. They admit Z into partnership Z paying a premium of Rs.2000 for $\frac{1}{4}$ th share of profit. The new ratio is 3:3:2. Goodwill account appears in the books at Rs.2000. Journalize.
13. a) A, B and C are partners sharing the ratio of 9:7:4. B retires from the firm. The amount due to B on retirement was calculated to be Rs.70,000. Calculate new and gaining ratio if:
- A contributes Rs.40,000 and C Rs.30,000 to take B's share.
 - A pays Rs.20,000 and C Rs.50,000 to clear B's dues.

(OR)

- b) How do you treat goodwill when a partner retires?
14. a) A company offers to its existing equity shareholders the right to buy one share of Rs.100 each at Rs.120 for every three shares held. The cum rights quotation in the market for the company's share is Rs.180. Calculate the value of rights.

(OR)

- b) Anu Ltd issued shares of Rs.10 each at a premium of 20% payable as follows:
- On application Rs.2
 - On allotment Rs.3
 - On first call Rs.3
 - On final call Rs.4

(CONTD 3)

Kumar who holds 40 shares did not pay allotment and first call. His shares were forfeited immediately after the first call. The forfeited shares were reissued for Rs.5 per shares at Rs.6 paid up. Give journal entries for forfeiture and reissue.

15. a) The following ledger balances were extracted from the books of Varun Ltd. As on 31.02.2024:

Land and building Rs.2,00,000	12% Debentures Rs.2,00,000
Plant and machinery Rs.8,00,000	Goodwill Rs.2,00,000
General reserve Rs.1,95,000	Stock in trade Rs.1,00,000
Bills receivable Rs.50,000	Debtors Rs.1,50,000
Creditors Rs.1,00,000	Bank loan (unsecured)Rs.1,00,000
Provision for tax Rs.50,000	Proposed dividend Rs.55,000
Share capital Rs.10,00,000(equity shares of Rs.10 each fully paid up)	
Investment in shares of Raja Ltd. Rs.2,00,000	

Prepare Balance sheet of the company as per Revised Schedule VI,Part I of the companies Act 1956.

(OR)

- b) A public company has a net profit of Rs. 50 lakhs for the financial year. The Managing Director's remuneration is set at Rs. 8 lakhs, and the Whole-time Director's remuneration is Rs. 6 lakhs. The total remuneration is thus Rs. 14 lakhs. Does this comply with the Companies Act?

SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(K4 (Or) K5)

16. a) Show how the following items will appear in the capital accounts of the partners. Babu and Gopi when their capitals are fluctuating:

	Babu Rs.	Gopi Rs.
Capital on 01.01.2023	8,00,000	7,00,000
Drawings during 2023	1,60,000	1,40,000
Interest at 5% on drawings	4,000	2,000
Share of profits for 2023	84,000	66,000
Interest on capital at 6%	48,000	42,000
Salary	72,000	Nil

(OR)

- b) Briefly explain the method of preparing Final accounts of a Partnership Firm.
17. a) X and Y are partner's sharing the result of the business in the ratio of 5:3. Z is admitted and asked to bring Rs.64,000 as goodwill and half of the combined capitals of X and Y after making necessary adjustments:

Balance Sheet

Liabilities		Assets	
Creditors	8,000	Cash	6,000
Capital account:		Sundry assets	1,54,000
X capital 120,000		Profit and loss	40,000
Y capital <u>40,000</u>	1,60,000		
Reserve fund	32,000		
	2,00,000		2,00,000

Revaluation account prepared on this date showed a loss of Rs.11,200.

Calculate the amount of capital to be brought by Z.

(OR)

- b) The Balance sheet of Padma and Renuka on 31st March 2024 is set out below. They share profit and losses in the ratio of 3:1.

Balance Sheet

Liabilities		Assets	
Capitals:		Land and buildings	30,000
Padma	40,000	Furniture	2,000
Renuka	30,000	Stock	8,000
		Sundry debtors	60,000
General reserve	20,000	Cash	4,000
		Profits and loss a/c	6,000
Sundry creditors	20,000		
	110,000		110,000

They agreed to admit Kavitha into the firm , subject to the following terms and conditions:

She will be entitled to one-fourth share of the profits.

She will bring in Rs.21000 of which Rs.10,000 will be treated as her share of goodwill to be retained in the business.

Depreciation is to be provided on furniture @15%.

Stock to be revalued at Rs.6,500

50% of the General Reserve is to remain as provision for Bad and doubtful debts.

Construct the Balance sheet of the new firm.

(CONTD 5)

18. a) Sunil, Devan and Ravi are equal partners in a firm and their balance sheet as on 30.12.2023 is given below:

Liabilities	Rs.	Assets	Rs.
Capital:		Machinery	43,500
Sunil	15,000	Furniture	1,500
Devan	12,000	Debtors	30,000
Ravi	18,000	Stock	15,000
Reserve	4,500		
creditors	40,500		
	90,000		90,000

Ravi retired on 31.12.2023 and assets were revalued as under :

Machinery Rs. 51000 .Furniture Rs. 12000, Debtors Rs. 28500, Stock Rs. 14700.

Goodwill of the firm is valued at Rs .9000 and Ravi's share of goodwill is to be adjusted to continuing partners capital accounts. Prepare Balance sheet.

(OR)

- b) P, Q and R sharing profits & Losses equally, had been trading for many years. 'R' decided to retire on 31.03.2022 on which dat Balance Sheet of the firm is as follows.

Liabilities		Assets	
	Rs.		Rs.
Capital Accounts		Cash	36,000
P	1,20,000	Debtors	74,000
Q	85,000	Stock	60,000
R	75,000	Plant & Machinery	1,20,000
Creditors	85,000	Land & Buildings	75,000
	3,65,000		3,65,000

Values of goodwill was agreed as 93,000, Land & Building increased in value, it being agreed at Rs.1,05,600. Plant & Machinery was revalued at Rs.1,00,500 and it was agreed to provide 6 % in respect of debtors. Prepare Revaluation Account, Capital Accounts And Balance Sheet.

(CONTD 6)

19. a) Narayanan and Co. Ltd., purchased assets worth Rs.28,80,000. It issued debentures in satisfaction of the purchase price. Calculate how many debentures will be issued:
- (a) In case the debentures are of Rs.100 each and are issued at a discount of 4% and
 (b) In case the debentures are of Rs.80 each and are issued at a premium of Rs.10 per debenture.
- Also pass the journal entries required for the issue of debentures.

(OR)

- b) A company issued 30,000 shares of Rs.10 each at a discount of 10%. The shares were payable as under;

- on application, Rs 3
- on allotment, Rs 4 (with adjustment of discount)
- on the first and final call, Rs 2

The public applied for 20,000 shares, which have been duly allotted. The company duly received all money. Pass journal entries

20. a) From the given particulars of Shine and Bright Co. Ltd. as at March 31, 2023, prepare balance sheet in accordance to the (revised) Schedule VI:

Preliminary expenses 2,40,000	Goodwill 30,000
Discount on Issue of shares 20,000	Loose Tools 12,000
10% Debentures 2,00,000	Motor vehicles 4,75,000
Stock in trade 1,40,000	Provision for tax 16,000
Cash at bank 1,35,000	Bills receivables 1,20,000

(OR)

- b) What types of perquisites are typically included in managerial remuneration?