

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2021-22 ONLY)

SUB CODE **21 UEC 309**

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS): POLLACHI

END-OF-SEMESTER EXAMINATIONS: DECEMBER – 2022

**B.Com. E-COMMERCE
SEMESTER -III**

**MAXIMUM MARKS: 70
TIME: 3 HOURS**

PART - III

ADVANCED ACCOUNTING

SECTION - A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

MULTIPLE CHOICE QUESTIONS.

1. The written agreement among the partners is called.....

a) Partnership deed	b) Partnership bye- laws
c) Partnership constitution	d) Contract.
2. Goodwill is a.....

a) Tangible assets	b) Fictitious assets
c) Current assets	d) Intangible assets.
3. Profit or Loss on revaluation when a partner retires is transferred to capital and current accounts in.....

a) Capital ratio	b) Gaining ratio
c) Old profit sharing ratio	d) Current ratio.
4. The balance of share forfeiture is transferred to.....

a) Profit and Loss account	b) Reserve capital
c) Capital reserve	d) Revenue reserve.
5. Dividends are usually paid on.....

a) Subscribed capital	b) Authorised capital
c) Paid up capital	d) Called up capital.

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES (K2)

6. What is interest on capital?
7. What is admission of a new partner?
8. What is gaining ratio?
9. Define company accounts.
10. What are the objectives of final accounts?

SECTION – B (5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)

11. a) A partner makes drawing of Rs.2,000 p.m. under the partnership deed. Interest is to be charged at 12% p.a. What is the interest that should be charged to the partner if the amount was drawn (i) in the beginning of the month (ii) in the middle of the month and (iii) at the end of the month.

(OR)

- b) Following is the Balance Sheet of Mohan and Madan on 31st Dec.1990, after adjustment of profit for 1990 and drawings:

Rs.		Rs.	
Capital: Mohan 40,000		Land	16,000
Madan <u>48,000</u>	<u>88,000</u>	Building	72,000
Creditors	32,000	Other Assets	48,000
P & L Appropriation a/c	<u>24,000</u>	Madan's Drawings	<u>8,000</u>
	<u>1,44,000</u>		<u>1,44,000</u>

During the year 1990: (i) Profits were Rs.40,000;

(ii) Drawings of Mohan were Rs.12,000;

(iii) Interest is to be charged at 5% p.a. on opening capitals.

Calculate interest on capitals of Mohan and Madan.

12. a) A and B are partners in a business sharing profits in the ratio of 5:3. They decide to admit C into the firm giving him 1/6th share. Calculate the new profit sharing ratio and sacrificing ratio of the partners.

(OR)

- b) A firm earned net profits during the last three years as follows:

I year- Rs.36,000 II year- Rs. 40,000 III year- Rs.44,000

The capital investment of the firm is Rs.1,20,000. A fair return on the capital having regard to the risk involved is 10%. Calculate the value of goodwill on the basis of 3 years purchase of super profits.

13. a) X, Y and Z were partners sharing profits in the ratio of 2:2:1. Z retires and his share was taken up by X and Y in the ratio of 3:2. Calculate the gaining ratio of X and Y.

(OR)

- b) Distinguish between Sacrificing ratio and Gaining ratio.

14. a) Kailash Ltd. purchased the business of Mani Bros. for Rs.54,00,000 payable in fully paid shares of Rs.100 each. What entries will be made in the books of Kailash Ltd., if such issue is (a) at par (b) at a premium of 20% and (c) at a discount of 10%?

(OR)

- b) The directors of 'Z' Co. Ltd. Forfeit 10 shares of Rs.50 each belonging to 'Karthik' who had paid Rs.5 per share on application, Rs.10 on allotment and Rs.15 on first call but failed to pay the final call of Rs.20. The same shares are then reissued to 'Raj' as fully paid on receipt of Rs.400. Pass journal entries with narration to record the forfeiture and the reissue of shares.

15. a) Draw the format of statement of profit and loss as per revised schedule VI.

(OR)

- b) Explain the managerial remuneration.

(CONTD.....3)

SECTION – C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS .

(K4/K5)

(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS 16.

16. Explain the meaning and importance of partnership. Briefly explain partnership deed.
17. Show how the following items will appear in the Capital Accounts of the partners, Babu and Gopu when their capitals are fluctuating:

	Babu (Rs.)	Gopu (Rs.)
Capital on 1.1.87	8,00,000	7,00,000
Drawings during 1987	1,60,000	1,40,000
Interest at 5% on drawings	4,000	2,000
Shares of profits for 1987	84,000	66,000
Interest on capital at 6%	48,000	42,000
Salary	72,000	Nil

18. A and B are partners sharing profits in the ratio of 3:1. Their Balance sheet stood as under on 31.3.2004:

Liabilities	Rs.	Assets	Rs.
Salary due	5,000	Stock	10,000
Creditors	40,000	Prepaid insurance	1,000
Capital		Debtors	8,000
A:	30,000	(-) Provision	<u>500</u>
B:	<u>20,000</u>	Cash	18,500
		Machinery	22,000
		Buildings	30,000
		Furniture	6,000
	95,000		95,000

- C is admitted as a new partner introducing a capital of Rs.20,000, for his 1/4th share in future profits. Following revaluations are made:
- (i) Stock be depreciated by 5%
- (ii) Furniture be depreciated by 10%
- (iii) Building be revalued at Rs.45,000
- (iv) The provision for doubtful debts should be increased to Rs.1,000. Pass Journal entries; prepare Revaluation A/c and Balance Sheet after admission.

19. The balance sheet of A, B and C who were sharing profits in the ratio of 4:3:2, stood as follows:

Liabilities	Rs.	Assets	Rs.
Capital Accounts:		Land & Buildings	25,000
A :	20,000	Plant & Machinery	8,500
B :	15,000	Furniture & Fittings	2,660
C:	10,000	Stock	8,000
Sundry creditors	6,900	Sundry debtors	5,000
		(-) Provision	<u>100</u> 4,900
		Cash at bank	2,840
	51,900		51,900

B retired on the above date and the following was agreed upon:

- (i) Land and Building be appreciated by 20%
- (ii) Reserve for doubtful debts is brought upon 5% on debtors.
- (iii) Stock be depreciated by 6%
- (iv) A provision of Rs.770 is made in respect of outstanding legal charges.
- (v) The goodwill of the entire firm be fixed at Rs.10,800 and B's share of it be adjusted into the accounts of A and C who are going to share future profits in the ratio 5:3.
- (vi) That the entire capital of the firm as newly constituted be fixed at Rs.28,000 between A and C in the ratio of 5:3 (actual cash to be brought in or paid off as the case may be).
- (vii) That the assets and liabilities (except cash) were to appear in the balance sheet at their old figures.

Prepare necessary ledger accounts and show the balance sheet after B's retirement.

20. Batliboi Co. Ltd., issued 50,000 equity shares of Rs.10 each to the public on condition that full amount of shares will be paid in a lump sum. All these shares were taken up and paid by the public. Pass journal entries in the books of company when

- (a) Share are issued at par
- (b) Shares are issued at a premium of 10% and
- (c) Shares are issued at a discount of 10%.

21. Moon and Star Co. Ltd. is a company with an authorised capital of Rs.5,00,000 divided into 5,000 equity shares of Rs.100 each on 31.12.1985 of which 2,500 shares were fully called up. The following are the balances extracted from the ledger as on 31.12.1985.

Trial balance of Moon & Star Co. Ltd.

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Sales	3,25,000
Purchases	2,00,000	Discount received	3,150
Wages	70,000	Profit & Loss a/c	6,220
Discount allowed	4,200	Creditors	35,200
Insurance (up to 31.3.86)	6,720	Reserves	25,000
Salaries	18,500	Loan from managing director	15,700
Rent	6,000	Share capital	2,50,000
General expenses	8,950		
Printing	2,400		
Advertisement	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debt	3,200		
Calls- in – arrears	5,000		
	6,60,270		6,60,270

You are required to prepare statement of profit & loss for the year ended 31.12.1985 and a balance sheet as on that date. The following further information is given:

- (a) Closing stock was valued at Rs.1,91,500
- (b) Depreciation on plant at 15% and on furniture at 10% should be provided.
- (c) A tax provision of Rs.8,000 is considered necessary.
- (d) The directors declared an interim dividend on 15.8.85 for 6 months ending June 30, 1985 @6%
- (e) Provide for corporate dividend tax @ 17%.