Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_

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**End Semester Examination – Nov/Dec – 2018**

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| **Code :** | **18PA2006** | **Duration :** | **3hrs** |
| **Sub. Name :** | **ADVANCED ACCOUNTING** | **Max. marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** |
| 1. | a. | Write the Golden rules of Accounting and describe on the conceptual and regulatory framework for Financial Reporting. | CO1 | 10 |
| b. | Prepare a Balance Sheet for M/s.Kumar Trading company in the Horizontal and Vertical Format.  Cash Balance Rs.50000, Bank Balance Rs.15000, Sundry Debtors Rs.15000, Stock of Goods Rs.5000, Sundry Creditors Rs.40000, Rent payable Rs. 5000, Machineries Rs.10000, Capital Rs.50000 | CO2 | 10 |
| (OR) | | | | |
| 2. | a. | Prepare trading and Profit and Loss a/c of Mithra Associates for the year ended 31.03.2018 from the following details.  Opening stock 75000 Purchases 40000  Factory Rent 20000 Wages 4000  Sales 150000 Closing stock 80000  Advertising 20000 Interest Received 3000  Purchase Returns 3000 Returns Inwards 2000  Adjustments to be done :  Wages prepaid : Rs.800, Factory Rent outstanding Rs.3000, Office Rent outstanding Rs.2000 | CO2 | 10 |
| b. | Describe the following briefly  i) Impairment of Assets ii) Intangible Assets iii) Accounting of Biological Assets | CO5 | 10 |
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| 3. | a. | Write a note on Analysing and Interpreting Financial Statements and state the limitations of financial statements. | CO4 | 10 |
| b. | Prepare the Income and Expenditure Account and Balance Sheet of Soccer Stars Football Club for the year ended 31.03.2018  Receipts :  Donations Rs.25000, Receipts from Football tournament Rs.4000, Members Admission Fees Rs.2000, Subscriptions Received Rs.2920.  Payments :  Tournament expenses Rs.20000, Furniture bought Rs.3000, Investment Rs.8000, Salaries paid Rs.1250, Insurance Rs.300  Cash on Hand Rs.2760.  Adjustments to be made :  Subscription outstanding Rs.500, Salaries payable Rs.750, Depreciate Furniture by 20% | CO3 | 10 |
| (OR) | | | | |
| 4. | a. | Write a note on Interpretation of financial statements – the need and uses and Limitations of Interpretation. | CO4 | 10 |
| b. | From the following information of Cosmo Arts Club, prepare the Receipts and Payments and Income and Expenditure Account for the year ending 31.03.2018.  Entrance Fees Received Rs.21000, Subscriptions received for 2017-18 Rs.20200, for 2016-17 Rs.4000, in advance for 2018-19 Rs.6000, Expenses for conducting Art Exhibition Rs.7000, Secretary’s salary Rs.3000, Printing and Stationery Rs.4400, Advertising Rs.3200, Audit Fees Rs.1000, Miscellaneous Expenses Rs.2000, Rent paid Rs.12000, Electricity bill payable Rs.2000, Rent outstanding for March Rs.2000. | CO2 | 10 |
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| 5. | a. | Calculate (a) Current Ratio (b) Liquid Ratio (c) Debt Equity Ratio (d) Gross Profit Ratio (e) Net Profit Ratio for the following and provide your interpretation.  Capital 1500000 Land 700000  Reserves 100000 Machinery 600000  Net Profit 400000 Furniture 100000  Tax payable 176000 Stock 600000  Bills payable 124000 Bills receivable 180000  Bank loan 20000 Bank account 200000  Creditors 80000 Investment 20000  Long term debt 500000 | CO3 | 10 |
| b. | From the following Statement of Profit and Loss of Madhanlal Associates, prepare a comparative statement of Profit and Loss for 2 years.  Particulars 2016-17 2017-18  Sales 1800000 2200000  Non Operating Income 200000 100000  Operating Expenses 750000 900000  Other Expenses 350000 120000  You are also required to provide your Interpretation on the same. | CO4 | 10 |
| (OR) | | | | |
| 6. | a. | Explain the following and Write the formula for the following.  i) Current Ratio ii) Liquidity Ratios iii) Profitability Ratios iv) Efficiency Ratios | CO3 | 10 |
|  | b. | From the following data of Alim & Co., prepare a  comparative statement of Profit and Loss for 2 years.  Particulars 2016-17 2017-18  Sales 1200000 1500000  Current Liabilities 200000 400000  Reserves 300000 200000  Loan @ 10% 500000 800000  Share Capital 500000 1000000  Operating Expenses 300000 400000  Other Expenses 50000 40000  Current Assets 500000 900000  Fixed Assets 1000000 1500000  You are also required to provide your Interpretation on the same. | CO4 | 10 |
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| 7. | a. | Describe the process of Admission of a Partner with the necessary journal entries to be passed. | CO6 | 10 |
| b. | Ram Ramyaand Shyamala started a partnership business on 1st January,2017. Their capital contributions were Rs. 2,00,000 and Rs. 10,0000 respectively. The partnership deed provided:  i. Interest on capital @10% p.a.  ii. Ramya to get a salary of Rs. 2,000 p.m. and  Shyamala Rs. 3,000 p.m.  iii. Profits are to be shared in the ratio of 3:2.  The profits for the year ended 31st December, 2017 before making above appropriations were Rs. 2,16,000. Interest on Drawings amounted to Rs. 2,200 for Ramya and Rs. 2,500 for Shyamala. Prepare Profit and Loss Appropriation Account. | CO6 | 10 |
| (OR) | | | | |
| 8. | a. | A and B are partners sharing profits and losses in the ratio of 2:1. A withdraws Rs.1500 at the beginning of each month and B withdraw Rs. 2000 at the end of each month for 12 months. Interest on drawings was charged @ 6% p.a. Calculate the interest on drawings of A and B for the year ended 31st March 2018 and give the Journal entry for the same  A and B share profits and losses in the Ratio of 4:3, they admit C with 3/7th share; which he gets 2/7th from A and 1/7 from B. Calculate the new profit sharing ratio? | CO6 | 10 |
| b. | Describe the process of Retirement of a Partner and provide the necessary journal entries. | CO6 | 10 |
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|  | | **Compulsory**: |  |  |
| 9. | a. | Trading and Profit and Loss A/c of Shankar Associates as on 31st March 2018 is as under  To opening Stock 100000 By Sales 850000  To Purchases 560000 By Closing Stock 150000  To Gross profit 340000  ----------- ------------  1000000 1000000  ----------- ------------  To Operating Exp : By Gross profit 340000  Selling 30000  Administrative Exp. 150000 By Non-operating  Interest 15000 Income :  To Non-operating Exp. Interest 3000  Loss on sale of assets 5000 Dividend received 7000  To Net Profit 150000  ----------- ------------  350000 350000  ----------- ------------  Balance Sheet as on 31.03.2018  Capital 200000 Land and Building 150000  Add. Net profit 150000 Machinery 80000  Creditors 130000 Stock 150000  Debtors 70000  Cash at Bank 30000  ----------- ------------  480000 480000  ----------- ------------  Calculate the following Ratios  i) Current Ratio ii) Liquid Ratio iii) Operating Ratio iv) Stock Turnover Ratio v) Gross Profit Ratio | CO3 | 10 |
|  | b. | Patel and Mehta agree to dissolve their partnership on 31st March 2018 on which date their balance sheet was as follows: -  BALANCE SHEET AS AT 31ST March 2018   |  |  |  |  | | --- | --- | --- | --- | | Liabilities | Rs. | Assets | Rs. | | Sundry Creditors  Patel’s Loan Account  Capital Accounts:  Patel  Mehta | 6,000  8,000  20,000  10,000  \_\_\_\_\_\_  44,000 | Cash  Sundry Debtors  Stock  Plant and fixtures  Goodwill | 1,000  5,000  20,000  14,000  4,000 | | 44,000 |  1. The partner share profits and loses in proportion to their capitals. 2. The sundry debtors realized was Rs. 4,200/= stock Rs. 1,800/=. Plant and fixtures 20% less than the book value and the Goodwill Rs. 6,000/=. 3. The creditors were paid off at a discount of 5%.   Prepare the required Ledger accounts for Partnership Dissolution. | CO6 | 10 |