(FOR THE CANDIDATES ADMITTED SUBJECT CODE **24 UEC 310**

DURING THE ACADEMIC YEAR 2024-25 ONLY) REG.NO.

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

END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2025

B.Com. -E.COMMERCE **MAXIMUM MARKS: 75**

III SEMESTER **TIME : 3 HOURS**

PART – III

ADVANCED ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. **(K1)**

1. A partnership is formed by an agreement between…………
   (a) Government and firm (b) Two or more persons
   (c) Company and individual (d) None of the above.
2. The new partner can be admitted into a partnership firm…………
   (a) By a majority decision of partners (b) By the manager
   (c) With the consent of all existing partners (d) By the government.
3. Show the on retirement of a partner, the amount due to him is shown on the………
   (a) Debit side of cash account . (b) Credit side of capital account
   (c) Debit side of capital account. (d) Credit side of cash account.
4. When shares are issued at par, it means they are issued at…………
   (a) Less than face value . (b) More than face value
   (c) Equal to face value (d) Market value
5. Relate the Managerial Remuneration is paid to………….
   (a) Auditors . (b) Creditors
   (c). Directors and Key Managerial Personnel (d) Shareholders.

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

6. Define the term “Partnership firm”
7. What is “Goodwill?
8. Infer the term “Gaining Ratio”.
9. Interpret the term “Forfeiture of shares”
10. What is the “Managerial remuneration” in final Accounts

SECTION – B (5 X 5 = 25 MARKS)

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

(K3)

11. a). Anbu is the partner of a firm. He withdraws Rs 800 on the fire day of each month. The rate of interest on drawing is 5% Per annum and the books are closed on 31st December. Calculate the amount of interest on drawings.

(CONTD …. 2)

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(OR)

b). Anand and Barva started a Partnership business on 1st January 1989 with capitals of Rs.60,000 and Rs. 40,000 respectively On 30th June 1989 Anand introduced further capital of Rs.20,000 Drawings during the year amounted to Rs 12,000 and Rs.8,000 respectively for Anand and Barva. Interest on capital is to be allowed 5% p.a. No interest is to be charged on drawings. Barva is to be allowed a salary of Rs.2,000 p.m. The profit for the year before charging salary and interest amounted to Rs.80,000. You are required to prepare the accounts of the partners presuming
(i) Capital to be fixed and (ii) Capital to be fluctuating.

12. a). A and B share Profits in the ratio of 3:2:. Z joins the firm with $1/4^{th}$ share. Find out Sacrificing ratio?

(OR)

b). Calculate the amount of goodwill at three year's purchase of last five years average Profits. The Profits were.
I – Year Rs 9,600; II – Year Rs 14,400; III -Year Rs 20,000; IV – Year Rs 6,000;
V – Year Rs 10,000;

13. a). X,Y and Z are Partners sharing Profit in the ratio of 1:2:3. Z retires and his capital, after making adjustments for reserves and Profits on revaluation, stands at Rs 44,000, X and Y agreed to pay him Rs 50,000 in full settlement of his claim. Give Journal entry for goodwill if the profits sharing ratio is decided at 1:3.

(OR)

b). X Y and Z are partners sharing Profits and Losses in the ratio of 4 : 3: 2 respectively. Y retires, selling his share of Profit to X and Z for Rs 72,000, Rs 18,000 being paid by X and Rs 54,000 being paid by Z.The Profit of the firm after Y's retirement is Rs 3,24,000.Distribute the above profit between X and Z showing how you arrive at the same.

14. a). 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 I the books of company when.
(a). Shares are issued at par. (b). Shares are issued at a premium of 10%.

(OR)

b). Ram Ltd purchased asses of Rs 8,00,000 from Anil Bros.It issued equity shares of Rs 100 each fully paid up in satisfaction of their claim. Make journal entries to record this transaction.

15. a). From the following particulars, determine the maximum remuneration available to a full time director of a manufacturing company.
The Profit & Loss Account of the company showed a net Profit of Rs 40,00,000 after taking into account the following item:

	Rs
(i).Depreciation (including special depreciation of Rs 40,000)	1,00,000.
(ii).Provision for income tax	2,00,000
(iii).Donation to political parties	50,000
(iv).Ex-Gratia payments to a worker	10,000
(v).Capital Profit on sale of Assets	15,000

(OR)

b). Determine the maximum remuneration payable to the part director and manager of B Ltd. (a manufacturing company) under section 309 and 387 of the Companies Act, 1956 from the following particulars Before charging any such remuneration, the Profit & Loss Account balance of Rs. 23,10,000 for the year ended 31st March 1987after taking into account the following matters:

(CONTD …. 3)

	Rs
(a) Capital expenditure	5,25,000
(b) Subsidy received from Government	4,20,000
(c) Special depreciation	70,000
(d) Multiple shift allowance	1,05,000
(e) Bonus to foreign technicians	3,15,000
(f) Provision for taxation	28,00,000
(g) Compensation paid to injured workman	70,000
(h) Ex-gratia to an employee	35,000
(i) Loss on sale of fixed assets	70,000
(j).Profit on sale of investment	2,10,000

Company is providing depreciation as per section 350 of the Companies Act 1956.

SECTION – C (5 X 8 = 40 MARKS)

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

(K4 (Or) K5)

16. (a). Maina and Naina entered into partnership. On 1st July 1991, their capitals were Rs.40,000 and Rs. 16,000 respectively. Naina introduced additional Capital of Rs.12,000 on 1st Oct. 1991. For the six months ending 31st Dec.1991,they made a profit of Rs.31,108 before allowing interest on capitals at 6%, interest on at 6% and Commission to Naina Rs. 5,200. They withdrew during six month with regular intervals Rs. 8,000 and Rs. 4,800 respectively.
Prepare P & L Appropriation A/c and Accounts of the Partners as on 31-12-91 with
(i).Fixed Capitals and (ii) Floating Capitals.

(OR)

(b). Z, Yand Z are partners sharing profits and Losses in the proportion of X 1/2, Y3/10,ans Z-. 1/5 after providing for interest at 5% pa on their respective capitals viz., X Rs.1,00,000, Y Rs.60,000 and Z. Rs 40,000 and allowing Y and Z. a salary of Rs.10,000 each pa. During the year 1992, X has drawn Rs. 20,000 and Y and Z in addition to their salaries have drawn Rs.5,000 and Rs.2,000 respectively. The Profit and Loss A/c for the year ended 31st December 1992 showed a net profit of Rs.90,000 before charging (i) Interest on Capital and (ii) Partners' salaries. On 1st January 1992, the balances in the current A/cs of the partners were X Rs.9,000 (Cr) Y Rs.3,000 (Cr) and 2. Rs.2,000 (Cr). Interest is not charged on drawings of current account balances. Show the partner's capital and current accounts as on 31st December 1992, after division of profits in accordance with the Partnership Agreement.

17. a). 'A' and 'B' were partners sharing Profits and Losses in the ratio of 2:1.Their balance sheet as on 31-12-2003 was as follows:

Liabilities		Rs	Assets	Rs
Creditors		65,900	Cash	1,200
Capital	A 30,000		Debtors	9,700
	B 20,000	50,000	Stock	20,000
			Machinery	35,000
			Building	50,000
		1,15,900		1,15,900

They decided to admit "C" as a partner for 1/3 rd share in the profits of the firm, Subject to the following conditions:

(i).That he should bring in Rs 15,000 as his capital.
(ii).That the value of stock and machinery be depreciated by 10%
(iii).That the provision of 5% on sundry debtors be made for doubtful debts.
(iv).That the value of buildings be appreciated by Rs 9,500.

Prepare necessary Ledger Accounts and Balance Sheet after 'C's admission.

(OR)

b). Lokesh and Rajesh are equal partners. Their Balance sheet on 31-12-2011 was as follows:

Liabilities	Rs	**Assets**	**Rs**
Creditors	20,000	Cash at Bank	10,000
Capital Account :		Debtors	20,000
Lokesh : 50,000		Stock at Cost	15,000
Rajesh : 30,000	80,000	Investment	12,000
		[Cost Rs 15,000)	
		Fixed Assets	43,000
	1,00,000		**1,00,000**

On the above date, Nitish was admitted on the following conditions;

(i).The new profit sharing will be 5:3:2.
(ii).Create 10% provision for discount on creditors.
(iii).Write off Rs 2,000 as bad debts and create 5% provision for doubtful debts.
(iv).Value stock at its market value of Rs 20,000.
(v).Depreciate fixed assets by 15%
(iv).Record investment at its cost
(vii).Nitish to bring Rs 20,000 as his capital.

Prepare Revaluation account, Capital account of Partners and new Balance Sheet.

18. a). A, B and C are partners in a firm sharing Profits and Losses in the ratio of 1/3, ½, 1/6 respectively. Their Balance Sheet as on 31-03-2006. was as follows:

Liabilities		Rs	Assets		Rs
Reserve Fund		16,000	Building		50,000
Capital	A : 30,000		Machinery		40,000
	B : 40,000		Furniture		10,000
	C : 25,000		Stock		25,000
Loan Payable		15,000	Debtors	18,000	
Sundry Creditors		25,000	Less: Provi	500	17.500
			Cash		8,500
		1,51,000			1,51,000

'C' Retire on 31-03-2006 Subject to the following conditions:

(a).Goodwill of the firm is valued at Rs 24,000.
(b).Machinery to be depreciated by 5%
(c).Furniture to be depreciated by 5%
(d).Stock to be appreciated by 15% and building to be appreciated by 10%.
(e).Reserve For doubtful debts to be raised to Rs 2,000.

Prepare necessary Ledger Accounts and show the balance sheet of the new firm

(OR)

b). Sunil, Devan and Ravi are equal partners in a firm and their Balance Sheet as on 31-12-90 is given below:

Liabilities	Rs	Assets	Rs
Capital : Sunil 15,000		Machinery	43,500.
Devan 12,000		Debtors	30,000
Ravi 18,000	45,000	Furniture	1,500
Reserve	4,500	Stock	15,000
Creditors	40,500		
	90,000		90,000

Ravi retired on 31-12-90 and assets were revalued as under:
Machinery Rs 51,000, Furniture Rs 1,200; Debtors Rs 28,500; Stock Rs 14,700;
Goodwill of the firm is valued at Rs 9,000.and Ravi's share of Goodwill is to be adjusted to conditioning partners capital account.

Give the necessary Ledger Accounts and New Balance Sheet.

19. a). A company issued 10,000 equity shares of Rs 10 each at premium of Rs 3 per share payable Rs. 5 on application, Rs. 5(including premium) on allotment and the balance on call. All the shares offered were applied for and allotted. All the moneys due on allotment were received except on 200 shares. Call was made. All the amount due thereon was received except on 300 shares. Directors forfeited 200 shares on which both allotment and call money was not received.

Pass the necessary journal entries to record the above and also show how this will appear in the Balance Sheet of the company.

(OR)

b). Ambassadors Ltd issued Rs 2,000 shares of Rs 100 each at a premium of 10% payable as follows:
Rs 25 on application, Rs 25 on allotment (including premium).Rs 20 on first call Rs 30 on call final call. 1,800 shares were applied for and allotted. All the money was received with the exception of first and final call on 200 shares held by Raghu. These shares were forfeited. Give journal entries and prepare balance sheet.

20. a). Moon & Star Ltd is a Company with an autjorised capital of Rs 5,00,000 divided into 5000 equity shares of Rs 100 each on 31-12-2015 of which 2,500 shares were fully called up.The following are the balances extracted from the ledger as on31-12-2015.

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 Account.	6,220
Discount Allowed	4,200	Creditors.	35,200
Insurance [upto 31-03-2016]	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		
Advertisements	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debts	3,200		
Call-in- Arrears	5,000		
	6,60,270		**6,60,270**

You are required to Prepare Statement of Profit & Loss for the year ended 31-12-2015.and a balance sheet as on that date. The following further information is given.
(i). Closing stock was valued at Rs 1,91,500.
(ii). Depreciation on plant at 15% and on furniture at 10% should be provided.
(iii). A tax Provision of Rs 8,000 is Considered necessary.
(iv). The Directors declared an interim dividend on 15-08-2015 for 6 months ending June 30^{th} 2015 @ 6%.

(OR)

b). Prepare a balance sheet as at 31st march 2000 from the following information of ABC Ltd as required under the Companies Act-1956.

	Rs		Rs
Term Loan	10,00,000	Loss for the year	3,58,000
Creditors	11,45,000	Sundry Debtors	12,25,000
Advance	3,72,000	Loan from Directors	2,00,000
Cash & Bank Balance	2,75,000	Provisions for DD.	20,200
Securities Premium	4,75,000	Stock	4,00,000
Loose Tools	50,000	Fixed Assets	51,50,000
Investments	2,25,200	Finished Goods	7,50,000
General reserve	20,50,000		
Capital work in Progress	2,00,000		

Additional information:

(a).Share Capital consists of

(i).30,000 equity shares of Rs 100 each fully paid up.

(ii).10,000 -10% Preference Shares of Rs 100 each fully paid up.

(b).Term Loan is secured.

(c).Depreciation on Assets Rs 5,00,000;

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