

C 42880

(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER M.Com. DEGREE EXAMINATION, MAY 2013**

**2.2—ADVANCED FINANCIAL ACCOUNTING**

(2004 Admission onwards)

Time : Three Hours

Maximum : 80 Marks

**Section A**

*Answer all questions.  
Each question carries 2 marks.*

1. Who are all preferential creditors and unsecured creditors ?
2. State any *four* advantages of Double Entry System.
3. What do you mean by loss of profits ?
4. What is consolidated fund of India ?
5. What do you mean by interpretation of Financial Statements ?

(5 × 2 = 10 marks)

**Section B**

*Answer any four questions.  
Each question carries 10 marks.*

6. Write brief notes on IASC and ICAI.
7. State the merits and limitations of HRA.
8. From the given incomplete records on 1-1-1997 prepare necessary ledger accounts for the year ended 31-12-1997. Capital Rs. 18,000 ; creditors Rs. 11,000 ; Debtors Rs. 14,000 ; Bills receivable Rs. 3,400 ; Bills payable Rs. 1,600 ; Machinery Rs. 1,800 ; stock Rs. 9,000 ; cash Rs. 240. Transactions during the year : Bills accepted Rs. 10,200 ; Acceptances paid Rs. 6,000 ; Bills receivable received Rs. 5,400 ; cash received from B/R honoured Rs. 6,000 ; cash received from debtors Rs. 72,000 ; cash paid to creditors Rs. 48,000 ; Discounts allowed Rs. 3,000 ; discounts earned Rs. 1,200 ; cash paid for trade expenses Rs. 17,600. Debtors on 31-12-1997 amounted to Rs. 18,000 and creditors Rs. 7,200. The value of stock was taken of Rs. 12,000.
9. From the following particulars, prepare a claim for loss of profit covering consequential loss :—
  - (a) Accounts are prepared on 31 December, the profit for 1997 Rs. 65,000 after debiting constant expenses Rs. 75,000. Sales for 1997 Rs. 11,20,000.
  - (b) Fire occurred on June 1, 1998 and affected sales for four months.

(c) Sales for four months ending September 30 in 1997 and 1998 were respectively Rs. 3,00,000 and Rs. 40,000.

(d) The policy was Rs. 2,00,000 and sale for the year ending on May 31, 1998 were Rs. 12,50,000.

10. The Balance Sheet of JK Ltd., disclosed the following :—

	January 1, 1998		December 31, 1998
	Rs.		Rs.
Trade debtors	... 2,00,000	...	2,60,000
Advance to suppliers	... 60,000	...	80,000
Trade creditors	... 1,50,000	...	1,60,000
Index No.	... 100	...	120
Average for the year	... 110	...	—

Calculate the monetary working capital adjustment.

11. XYZ Ltd., went into liquidation with the following liabilities :

(a) Secured creditors Rs. 20,000 (securities realised Rs. 25,000)

(b) Preferential creditors Rs. 600.

(c) Unsecured creditors Rs. 30,000.

(d) Liquidator's out of pocket expenses Rs. 252.

The liquidator is entitled to a remuneration of 3% on the amounts realised (including securities in the hands of creditors) and 1½% on the amount distributed to unsecured creditors. The various assets (excluding securities in the hands of secured creditors) realised Rs. 26,000. Prepare the final statement of the liquidator.

(4 x 10 = 40 marks)

### Section C

*Answer any two questions.*

*Each question carries 15 marks.*

12. List out the unique features of Government Accounting. How are Government Accounts compiled ?