

TILAK MAHARASHTRA VIDYAPEETH

(Department of Distance Education)

T.Y. B.Com Home Assignment – May 2011-12

Subject: Advance Accountancy

Subject Code:- C-302

Instructions:

- 1) All questions carry equal marks (16 marks each)
- 2) All questions are compulsory

Q.1. The following is the Trial Balance of Janata Bank Ltd as at 1st March 2003

Particulars	Rs	Rs
Subscribed Capital 50000 Equity Shares of Rs. 10 each		500000
Fully paid.		
Reserve fund		250000
Loans, cash credits and Overdrafts	285000	
Premises	50000	
Indian Govt. Securities	400000	
Current deposits		100000
Fixed deposits		125000
Saving Bank deposits		50000
Salaries	28000	
General expenses	27400	
Rent, rates and taxes	2300	
Directors Fees	1800	
Profit and Loss Account 1-4-02		16000
Interest and discount		128000
Stock of Stationery	8500	
Bills Purchased and discounted	46000	
Interest dividend paid	17000	
Recurring deposits		20000
Shares	50000	
Cash in hand and with Reserve Bank	193000	
Money at call and short notice	80000	
	1189000	1189000

The following information should be considered :

- 1) Provision for bad and doubtful debts is required amounting to Rs. 5,000
- 2) Interest accrued on investment was Rs. 8,000

- 3) Unexpired discount (Rebate on bills discounted) amount to Rs. 380
- 4) Interim dividend declared was 4 percent actual.
- 5) Endorsements made on behalf of customers totalled Rs. 1,15,000
- 6) Authorized Capital was 80,000 Equity share of 10 each.
- 7) Market value of Govt. securities was Rs.3,90,000
- 8) Rs. 10,000 were added to the premises during the year. Depreciation at 5% on opening balance is required.

Prepare profit and Loss A/c for the year ending 31-3-2003 and Balance Sheet as on that date.

- Q.2. Sukanta Investment Co. Ltd Pune held on 1st April 2004, Rs. 60,000 12% debentures at Rs. 62500. Interest is payable on 1st January and 1st July every year. The following transactions took place during the year 2004-2005 :
- 1.5.2004 Purchase Rs. 25,000 cum-interest at 2% discount.
 - 1.8.2004 Sales Rs. 50,000 ex-interest at 6% premium.
 - 1.12.2004 Purchase Rs.25,000 ex-interest at 10% discount
 - 31.1.2005 Sales Rs. 10,000 cum-interest at 5% premium.
 - 28.2.2005 Sales Rs. 35,000 ex-interest at 8% premium
- Brokerage is paid at 2% on purchase and sales of securities
Prepare Investment Account as on 31st March 2005 on FIFO methods.

- Q.3. A Ltd. has a Branch at Nashik. Goods are invoiced to branch at cost+50%. Branch remits all cash received to the Head Office and all expenses are met by the Head Office. The following particulars are available :

Particulars	Rs.
Stock on 1.4.2005 (Invoice Price)	37,200
Debtors on 1.4.2005	27,200
Goods Invoiced to Branch	2,12,400
Sales at Branch -	
Cash Sales	1,00,040
Credit Sales	1,24,000
Goods returned by debtors	4,800
Cash Collected from debtors	1,21,600
Goods returned by branch to Head Office(Invoice Price)	6,000
Discount allowed to customers	800
Expenses at Branch	
Salary	12,000
Rent	8,000

Office expenses	1,600
Sundry expenses	2,000

You are required to prepare :

- 1) Nashik Branch A/c
- 2) Branch Stock A/c and
- 3) Branch Debtors A/c in the books of A. Ltd.

Q. 4. Sushant does not maintain his books in the double entry system and bank account. From the following information, prepare Profit and Loss Account and Balance Sheet as on 31.3.2006.

A) Assets and Liabilities :

Items	31.3.2005	31.3.2006
Stock	19,800	1,13,200
Creditors	31,000	14,500
Debtors	1,18,000	1,25,000
Primises	90,000	90,000
Furniture	11,000	11,500
Air-conditioner	15,000	15,000

B) Creditors as on 31.3.2005 include Rs. 15,000 for purchase of Air-conditioners.

C) Cash Transactions

Particulars	Rs.
Cash at 1.4.2005	15,000
Collections from Customers	1,60,800
Payment to Creditors (Trade)	1,44,000
Rent,Rate and Taxes	11,500
Salaries	1,12,000
Sundry Expenses	18,000
Sundry Income	16,500
Drawing by Sushant	30,000
Loans from Mrs. Parash	23,000
Capital Introduced	12,000
Cash Sales	11,500
Cash Purchases	15,000
Paid to credit for Air-conditioner	15,000

D) Bad debts written off 1,200

Q.5. Following are the Balance sheets of Savita Ltd and Shashi Ltd. as on 31st March 2010. together with Supplementary information for the year ended on that date

Liabilities	Savita Ltd	Shashi Ltd Rs.	Assets	Savita Ltd Rs	Shashi Ltd. Rs.
Paid up Capital	2,00,000	3,50,000	Goodwill	30,000	50,000
Reserves	50,000	60,000	Building	1,20,000	2,40,000
Profit & loss A/c	12,750	1,02,200	Plant and	29,000	42,000
Bank Overdraft	11,250	14,800	Machinery		
Sundry Creditors	36,000	58,000	Stock	66,000	93,000
Provision for Taxation	20,000	15,000	Debtors	85,000	1,75,000
	3,30,000	6,00,000		3,00,000	6,00,000

	Savita Ltd. Rs.	Shashi Ltd. Rs.
Sales for the year	8,40,000	10,50,000
Average Stock on Hand	63,000	1,00,000
Gross Profit	2,10,000	2,50,000

You are required to re-arrange the Balance sheet of the two companies, compute the following accounting Ratios and offer a remark on each of the

- i) Current Ratio
- ii) Liquid Ratio
- iii) Stock Turnover Ratio
- iv) Gross profit Ratio

Q.6. Write short Notes (Any 4)

- 1) Short Sales
- 2) Features of Dependent Branch
- 3) Features and disadvantages of the single entry
- 4) Difference between Financial and Management Accounting
- 5) Advantages and Objectives of Ratio Analysis

6) Distinguish between ex-interest and cum-interest.