

Year :	1995	1996	1997	1998	1999	2000	2001
Production ('000 tons) :	34	19	23	26	46	42	67

Estimate the production in 2008.

- 14 Find out the variance for the given distribution :

X :	0-5	5-10	10-15	15-20	20-25	25-30	3-35
F :	2	5	7	13	21	16	8

- 15 Calculate Bowley's coefficient of skewness from the following series :

Marks :	0-5	5-10	10-15	15-20	20-25
No. of students :	10	16	18	26	29

DISTANCE EDUCATION

B.C.S. DEGREE EXAMINATION, MAY 2011.

ADVANCED ACCOUNTANCY

(1999 onwards)

Time : Three hours

Maximum : 100 marks

PART A — (5 × 8 = 40 marks)

Answer any FIVE questions.

All questions carry equal marks.

2. What are the accounting adjustments needed at the time of admission of a partner?
3. Explain the procedure for redemption of Preference Shares.
4. State the differences between hire purchase and installment systems.
5. Describe the methods of accounting for amalgamation.
6. A fire occurred on 10.04.2000 in the premises of a company. From the following particulars ascertain the amount of claim to be lodged in case of the loss of stock which was incurred.

	Rs.
Stock on 1.1.2000	1,25,000
Purchases from 1.1.2000 to 10.4.2000	5,00,000
Wages from 1.1.2000 to 10.4.2000	1,00,000
Rs.	
Manufacturing expenses from 1.1.2000 to 10.4.2000	50,000
Sales from 1.1.2000 to 10.4.2000	7,50,000

The gross profit rate is 15%. The stock salvages was estimated at Rs. 37,500.

- 6 A and B are partners sharing profits and Losses in the ratio 2 :1. On 1st January 2003 they admitted another partner C for 1/10th Share of profits or Rs. 88,000 which ever is higher. A and B continued to share their profits even after the admission of the new partner. The firm

earned a total profit of Rs. 5,50,000. You are required to prepare profit and loss Appropriation account.

- 7 Murugan Ltd., issued 2000, 12% Redeemable preference shares of Rs.100 each. In order to redeem these, 500 ordinary shares of Rs. 100 each were issued at 10% premium. The company has sufficient balance in its profit and loss account. An investment costing Rs. 1,00,000 was sold for Rs. 93,000. Preference shares were redeemed at par. Pass necessary journal entries.
- 8 The Drug Coal Co. are lessees of a mine on a royalty of 50 paise per tone of coal raised with a dead rent of Rs. 40,000 per annum, and power to recoup shortworkings during the first years of the lease. The output for the first five years was as follows :

1 st year	10,000 tonnes
2 nd year	48,000 tonnes
3 rd year	80,000 tonnes
4 th year	1,20,000 tonnes
5 th year	1,20,000 tonnes.

Pass necessary journal entries in the books of Landlord.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

Each question carries 15 marks.

- 8 Arul, Babu and Charu are equal partners. On 31.12.92 their Balance Sheet was as follows :

Liabilities	Rs.	Assets	Rs.
Capital Arul	16,800	Buildings	19,500
Babu	12,600	Furniture	2,400
Charu	6,000	Stock	11,400
Creditors	6,000	Debtors	10,800
Bills payable	3,300	Cash	600
	<u>44,700</u>		<u>44,700</u>

On that date Durai was admitted for 1/4th share of profit on the following terms.

- (a) That Durai brings in cash Rs. 9,000 for goodwill and Rs. 15,000 as capital.

On application Rs. 3

On allotment Rs. 4

On first call Rs. 2

On final call Re. 1

Applications were received for 60,000 shares

Allotments were made on the following basis :

- (a) to applicants for 10,000 shares — in full
- (b) to applicants for 20,000 shares — 15,000 shares
- (c) to applicants for 30,000 shares — 25,000 shares

All excess amount paid on application is to be adjusted against amount due on allotment.

The shares were fully called and paid up except amounts of allotment, first and final call not paid by those who applied for 2,000 shares out of the group applying for 20,000 shares.

All the shares on which calls were not paid were forfeited by the Board of Directors

1,000 forfeited shares were reissued and fully paid on receipt of Rs. 8 per share.

Show the journal entries in the books of Kamakshi Co. Ltd.

12 The Balance Sheet of ABC Ltd., as on 31.12.2000 stood as under:

Liabilities	Rs.	Assets	Rs.
Equity shares of Rs. 100 each	5,00,000	Fixed assets	8,00,000
9% redeemable pref. shares		Investments	1,00,000
of 100 each	3,00,000	Bank balance	2,00,000
Share premium	50,000	Other current Assets	5,00,000
Capital reserve	1,00,000		
P & L debentures	2,00,000		
10% debentures	3,00,000		
Creditors	1,50,000		
	<u>16,00,000</u>		<u>16,00,000</u>

Both the redeemable preference shares and debentures were due for redemption on 1.1.91. The company arranged for the following:

- (a) It issued 2,000 equity shares of Rs. 100 each at a premium of 10%
- (b) It sold investments for Rs. 90,000.
- (c) It arranged a bank O/D to the extent necessary.

The redemption was carried out. Give Journal Entries redemption of preference shares and debentures.

13 The following is the summarized Balance Sheet of 'Kanmani' Ltd. as on 31.12.2000.

Liabilities	Rs.	Assets	Rs.
Share capital 5000 equity shares of Rs. 100 each	5,00,000	Land and buildings	3,00,000
1000 pref. shares of 50 each	50,000	Plant	2,60,000
6% debentures	1,50,000	Goodwill	90,000
Loans	2,00,000	Debtor	1,40,000
Sundry creditors	1,00,000	Preliminary expenses	60,000
	10,00,000	Profit and loss	1,50,000
			10,00,000

Following reconstruction scheme is approved :

- (a) Equity shares are to be reduced to Rs.75. preference shares to Rs.25.
- (b) Land and Building and plant and machinery is appreciated by Rs. 1,00,000 and Rs. 40,000 respectively.
- (c) The 6% Debentures holders are to take the debtors in full satisfaction of the entire amount due to them.
- (d) The amount so available is to be applied for writing off Goodwill, preliminary expenses and P and L a/c.

Prepare Capital Reduction Account and Revised Balance Sheet.

- 14 P purchased a truck for Rs. 5,60,000 payment to be made Rs. 1,50,000 down and three installments of Rs. 1,50,000 each at the end of each year. Rate of interest is charged at 5% p.a. buyer depreciates asset at 10% p.a. on written down value method. Because of financial difficulties, P after having paid the down payment and first installment at the end of the

first year, could not pay the second installment and seller took possession of truck. Seller after spending Rs. 3,500 on repairs sold it away for Rs. 3,00,000. Prepare ledger accounts in the books of P.

- 15 Tip Top Company, Delhi has a branch in Chennai. It invoices goods to the branch at selling price which is cost plus 33 1/3%. From the following particulars prepare Branch Account, Branch Debtors Account in the books of Tip Top Company, Delhi.

	Rs.
Stock on 1 st April, 2006	1,50,000
Debtors on 1 st April, 2006	1,14,000
Goods invoiced to branch during the year	6,70,000
Sales at Branch:	
Cash Sales Rs. 3,10,000	
Credit Sales Rs. 3,74,000	6,84,000
Cash received from debtors	4,00,000
Discount allowed to customers	3,000
Bad debts written off	2,500
Cheques sent to branch :	
Salaries Rs. 50,000	
Sundry Expenses Rs. 17,000	0 67,000
Stock on 31 st March 2007	1,34,000
