



K16P 0451

Reg. No. :

Name :

Second Semester M.Com. Degree (Regular/Supplementary/Improvement)

Examination, March 2016

(2014 Admn. Onwards)

COMMERCE

COM2C09 : Advanced Business Accounting

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any 4** questions. **Each** question carries **1** mark for Part **a**, **3** marks for Part **b**, **5** marks for Part **c**.

- I. a) What is average clause ?
b) What are the losses covered under consequential loss policy ?
c) Find the amount of claim

	₹
Increased cost of working	3,400
Percentage of gross profit (10%) standard sale	50,000
Actual sale	30,000

- II. a) Define inflation accounting.
b) What are its distinctive features ?
c) From the following data calculate the cost of sale adjustment.

	₹
Opening stock at historical cost	5,00,000
Closing stock at historical cost	8,40,000
Price index at the beginning of the year	100
Price index at the close of the year	120
Average price index for the year	110

P.T.O.



- III. a) What do you mean by valuation of shares ?
 b) State the need for valuation of share.
 c) Your client intends to invest not more than ₹ 15,000 in equity shares of midlight Ltd. and wants you to advise him the maximum number of share he can expect to acquire with the said amount on the basis of the following information available to him

	₹
6% preference shares of Rs. 10 each	5,00,000
Equity shares of ₹ 10 each	3,00,000
	8,00,000

Average net profit of the business ₹ 57,000. Expected normal yield is 7% in case of such equity shares.

Total tangible assets (other than good will) are ₹ 9,49,000 and total liabilities are ₹ 95,000. Good will is to calculate at 5 years purchase of the super profit. Show your working.

- IV. a) Define Human Resource Accounting.
 b) State the important requirements of human resource accounting.
 c) Explain the objectives of HRA.
- V. a) State the reason for uniform accounting standards.
 b) Write note about international accounting standard committee.
 c) State the objectives of IASCA.
- VI. a) Define government accounting.
 b) Write a note on the consolidated fund of India.
 c) Explain the objectives of government accounts. **(4×9=36 Marks)**



SECTION – B

Answer **any two** questions. **Each** carries **12** marks.

VII. Explain the procedure for issuing an accounting standard.

OR

On July 1, 2012 Kerala investment Ltd. held ₹ 1,00,000 6% debentures of chartered Bank Ltd. Which appeared in the books at ₹ 96,500. Interest is payable on July 31 and January 31. On October 1st, 2012 a further ₹ 50,000 debentures on chartered bank Ltd. were brought at ₹ 98 cum interest and on January 1st 2013 further ₹ 30,000 debentures were brought at ₹ 97 ex-interest. On March 31st 2013 ₹ 80,000 debentures were sold at ₹ 101 cum interest and on June 1st, ₹ 60,000 debentures were sold at ₹ 102 ex-interest. Show the investment account for the period ending on June 30th 2013.

VIII. Explain the current cost accounting method of price level changes.

OR

From the following information supplied by the Nandini farm Ltd. prepare the cattle account.

	No.	Value ₹
Opening stock of live stock	100	2,00,000
Closing stock of live stock	118	2,42,000
Opening stock of cattle food		4,000
Closing stock of cattle food		5,000
Purchase of cattle during the year	180	3,70,000
Sale of cattle during the year	175	4,38,000
Sale of carcasses	5	1,000
Purchase of cattle food		40,000
Wage for rearing cattle		10,000

Crop work ₹ 11,100 growth is the farm was used feeding the cattle. Out of the calve born 4 died and their carcasses realised ₹ 100.

(2×12=24 Marks)