



**K23P 3066**

Reg. No. : .....

Name : .....

**I Semester M.Com. Degree (C.B.C.S.S. – OBE – Regular)**  
**Examination, October 2023**  
**(2023 Admission)**  
**CMCOM01C04 : ADVANCED FINANCIAL ACCOUNTING**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any five** questions. **Each** question carries **three** marks :

1. What do you mean by
  - a) Address commission
  - b) Bunker cost
  - c) Stevedoring charge ?
2. What is meant by
  - a) Asset backing method
  - b) Yield method
  - c) Fair value method ?
3. Explain the methods of inflation accounting.
4. What is the purpose of valuing shares ?
5. What are the roles of Public Accounts Committee ?
6. What is
  - a) Average clause
  - b) Indemnity period
  - c) Short sales ?

**(5×3=15)**

P.T.O.



## SECTION – B

Answer **any three** questions. **Each** question carries **five** marks :

7. What do you understand about cum interest or dividend ? How is it adjusted on purchase and sale of investments ?
8. What are the objectives of Human Resource Accounting ?
9. Explain the role of Comptroller and Auditor General of India.
10. On 31<sup>st</sup> March 2017, Southern investors intend purchase a bunch of shares of X Ltd. the profits of X Ltd. for the last 5 years were ;

**Rs.**

2012-13	2,80,000
2013-14	3,20,000
2014-15	3,60,000
2015-16	3,00,000
2016-17	3,40,000

Paid up capital of the company was Rs. 10,00,000 in shares of Rs. 10 each. The normal rate of return on investment in the company is 12%. Income tax rate is 50%. Calculate Earning Yield Value per share.

11. The godown of Vinayak Ltd. caught fire on 15<sup>th</sup> September 2016, records saved from fire showed the following particulars.

**Rs.**

Stock at cost on 1 <sup>st</sup> April 2015	60,000
Stock at cost on 31 <sup>st</sup> March 2016	84,000
Purchase less returns for the year 2015-16	5,08,000
Wages for the year 2015-16	20,000
Sales less returns for the year 2015-16	7,20,000
Purchase less returns from April 1 to September 15, 2016	1,80,000
Sales less returns from April 1 to September 15, 2016	2,46,000
Wages from April 1 to September 15, 2016	16,200
Value of policy	1,20,000

Gross profit remained at a uniform rate. The stock salvaged was worth Rs. 7,200 and that was retained by Vinayak Ltd. show the amount of claim to be lodged.

**(3×5=15)**



## SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks :

12. Jaswanth Ltd. holds 400 12% debentures of Rs. 100 each in Asha Ltd. as on 1<sup>st</sup> April 2015 at a cost of Rs. 50,000. Interest is payable on 30<sup>th</sup> June and 31<sup>st</sup> December every year. On 1<sup>st</sup> June 2015, 200 debentures are purchased cum interest @ Rs. 21,400. On 1<sup>st</sup> November 2015, 300 debentures are sold Ex-interest @ Rs. 28,650. On 30<sup>th</sup> November 2015, 200 debentures are purchased Ex-interest for Rs. 19,200. On 31<sup>st</sup> December 2015, 300 debentures are sold cum interest for Rs. 32,250.

Prepare investment account valuing closing stock as on 31<sup>st</sup> March 2016, @ cost (applying FIFO method) or market price whichever is lower. The debentures were quoted at par on 31<sup>st</sup> March 2016.

13. Define Goodwill. Explain the different methods of valuing Goodwill.
14. On 31<sup>st</sup> December 2017, the balance sheet of a limited company disclosed the following position.

Liabilities	Amount Rs.	Assets	Amount Rs.
Issued Capital in Rs. 10 shares	4,00,000	Goodwill	40,000
Reserves	90,000	Fixed assets	5,00,000
P&L account	20,000	Current Assets	2,00,000
5% Debentures	1,00,000		
Current liabilities	1,30,000		
	<b>7,40,000</b>		<b>7,40,000</b>

On 31<sup>st</sup> December 2017, the fixed assets were independently valued at Rs. 5,50,000 and the Goodwill at Rs. 50,000.

The net profits after tax for the 3 years were ;

2015 – Rs. 51,600 ; 2016 – Rs. 52,000 and 2017 – Rs. 51,650 of which 20% was placed to reserve, this proportion being considered reasonable in the industry in which the company is engaged and were a fair investment return may be taken @ 10%.

Compute the value of company's shares by

- the asset backing method and
- the yield method and also its fair value.



15. On 1<sup>st</sup> November 2015, a severe fire broke out in the premises of Hard Luck Company Ltd. the indemnity period lasted for 4 months during which the sales of the company were reduced to Rs. 2,00,000. The Company closes its account on 30<sup>th</sup> June every year. The profit and loss account for the year ended 30<sup>th</sup> June 2015 is given below :

Profit and Loss Account for the year ended 30<sup>th</sup> June 2015

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
Opening stock	5,00,000	Sales	47,50,000
Purchases	30,00,000	Closing stock	2,50,000
Variable expenses	7,87,500		
Standing charges	3,62,500		
Net profit	3,50,000		
	<b>50,00,000</b>		<b>50,00,000</b>

The company took loss of profit policy for a sum of Rs. 6,00,000. The sales of the company for the 12 months ending the date of fire were Rs. 50,00,000 and for the 4 months from 1<sup>st</sup> November 2014 to 28<sup>th</sup> February 2015 were Rs. 15,00,000. An additional amount of Rs. 16,000 was incurred during the indemnity period which is considered as admissible for the amount of claim. There is also a savings in insured standing charges for Rs. 8,000.

Compute the amount of claim to be lodged with insurance.

16. What do you mean by IFRS ? Explain the different IFRS in accounting.

(3×10=30)