

<u>Sources of Fund</u>	<u>H Ltd</u>	<u>S Ltd</u>
<b>Equity and Liabilities</b>		
Shareholders' Fund		
Equity Share Capital	8, 00,000	2, 00,000
General Reserve	1, 50,000	70000
Profit & Loss Account	90, 000	55, 000
<b>Current Liabilities</b>		
Creditors	1, 20, 000	80, 000
	<b>11, 60,000</b>	<b>4,05,000</b>
<b>Application of Fund</b>		
<b>Non-Current Assets:</b>		
Fixed Assets	5, 50,000	1, 00,000
<b>Investments:</b>		
Investment in S Ltd. (75% of shares at cost)	2, 80,000	
<b>Current Assets:</b>		
Inventories	1, 05,000	1, 77,000
Other current assets	2, 25,000	1, 28,000
	<b>11, 60,000</b>	<b>4, 05,000</b>

Prepare a consolidated balance sheet as at 31<sup>st</sup> March, 2021 after taking into consideration, the following information:

- H Ltd. acquired the shares on 31<sup>st</sup> July, 2020.
- S Ltd. Earned a profit of Rs.45000 for the year ended 31<sup>st</sup> March, 2021.

In January, 2021 S Ltd. sold to H Ltd. goods costing Rs. 15000 for Rs. Rs. 20000. On 31<sup>st</sup> March, 2021 half of these goods were lying as unsold in the godown of H Ltd.

*(Internal Assessment: 10 marks)*

2022

**M. Com.**  
**3<sup>rd</sup> Semester Examination**  
**ADVANCED FINANCIAL ACCOUNTING**  
**PAPER – COM 305A**

*Full Marks: 50*

*Time: 2 Hours*

*The figures in the right-hand margin indicate full marks.*  
*Candidates are required to give their answers in their own words as far as practicable.*

**UNIT – I**

- Answer any two questions: 2 X 2**
  - Which points should carefully be noted to ascertaining room rate in the hotel?
  - ABC Co. Ltd. furnished the following information as on 31.03.2022.
    - Total Revenue Rs 2,00,000
    - Total Operating Expenses Rs. 1,00,000
    - Tax rate is 30%
    - Total invested capital: 2000 equity share @Rs. 100 each and Long term debt Rs. 1, 00,000
    - Weighted average cost of capital is 6.53%. Calculate Economic Value Added (EVA) of the firm.
  - Define 'human resource accounting'.
  - Point out the advantages of 'Value Added Accounting'.
- Answer any two questions: 2 X 4**
  - Find the Room Occupancy Rate and Double Occupancy Rate as per given information:
    - Sagarika Hotel in Goa has 660 rooms in all, out of which 52 rooms are used for operational purpose and 8 rooms are used by the departmental managers. If 480 rooms are occupied by the guests on a day, calculate room occupancy rate.
    - Hotel Lirica in Digha has 320 lettable rooms on a particular day. 240 rooms occupied by 300 guests. Calculate Double Occupancy Rate.

- b) From the following information of a PQRS Co. as on 31.12.2022, you are required to calculate the Market Value Added (MVA) of PQRS Co.
- Shareholders' equity of PQRS Co. is Rs. 7,50,000.
  - The Company owns 5000 Preferred share.
  - The number of Co's common shares outstanding are 100000.
  - The present market value of the common share is Rs 12.50 per share and Rs. 100 per share for the preferred share.
- c) Distinguish between 'Gross Value Added' and 'Net value Added'.
- d) What are the reasons of compulsory winding up of a company?

**3. Answer any one question:**

**1 X 8**

- a) TZ Ltd. went into liquidation with the following liabilities:

Particulars	Amount (Rs.)
Secured creditors	40,000 ( Securities realized 50,0000
Preferential Creditors	1,200
Unsecured creditors	61,000
Liquidation Expenses	500

The liquidator is entitled to a remuneration of 3% on the amount realized (including) securities in the hand of secured creditors) and  $1\frac{1}{2}$ % on the amount distributed to unsecured creditors. The various assets (excluding the securities in the hands of the secured creditors) realized are Rs. 52,000.

Prepare the liquidator's statement of account showing the payment mode to the unsecured creditors.

- b) Explain the importance of human resource accounting. Explain the limitations of human resource accounting. 4+4

**UNIT – II**

**4. Answer any two questions:**

**2 X 2**

- What is average clause in insurance for loss of profit? Give with example.
- What is Statutory Liquid Reserve?
- What do you mean by 'Capital adequacy Ratio'?

- d) How do you treat Inter- Company profits included in stock in preparing consolidated financial statement?

**5. Answer any two questions:**

**2 X 4**

- What is the process for insurance claim in case of 'loss of profit'?
- A Ltd. holds 8000 Equity Shares of Rs 100 each at a price of Rs 1100000 of B Ltd on 30.06.2020 out of 10000 Equity Shares of Rs 100 each. B Ltd earned Rs 50000 profit before this acquisition. B Ltd holds 5000 Equity Shares of Rs 100 each of C Ltd at a cost of Rs 600000 out of 8000 Equity Shares on 01.01.2020. C Ltd had a Reserve balance before this holding of Rs 48000.

Calculate the share of Capital Profit of Holding Cos and as well as the Minority interests.

- Explain in brief the classification of assets and provisioning of NPA. 1+3
- What is a consolidated Balance Sheet? What are the advantages of preparing it? 2+2

**6. Answer any one question:**

**1 X 8**

- a) Mr. B has an insurance policy for loss of profit of Rs. 210000.00. The indemnity period is 3 months. Due to Fire on 31.03.2021. The Factory dislocated. Following information are available –

Sales for the year ended 31.12.2020	Rs. 700000.00
Sales for the year ended 01.04.2020- 31.03.2021	Rs. 800000.00
Sales for the year ended 01.04.2020- 30.06.2020	Rs. 180000.00
Sales for the year ended 01.04.2021- 30.06.2021	Rs. 12000.00
Standing Charges for 2020	Rs. 160000.00
Profit for the year 2020	Rs. 50000.00
Savings in charges	Rs. 5000.00
Additional expenses to reduce loss	Rs. 10000.00

You can assume that; no adjustment has to be made for the upward trend in sales. Calculate the amount of claim to be lodged to the insurance company.

- b) On 31<sup>st</sup> March, 2021 the balance sheet of H Ltd. and its subsidiary S Ltd. stood as follows: