

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, May, 2020**

**Course: Advanced Accounting**  
**Program: BBA A & IS**  
**Course Code: FINC 3012**

**Semester: VI**  
**Time: 3 Hours.**  
**Max. Marks: 100**

**Instructions: All questions are compulsory**

S. No	Section A (2 x 15 = 30 Marks)	Mapped Course Outcome
Q1	The excess of hire purchase price over cash price of the goods is known as (a) Interest (b) Hire purchase system (c) Down payment (d) Cash price	1
Q2	In a hire purchase system a buyer is called as (a) Hire purchaser (b) Hire vendor (c) Any of the above (d) None of these	2
Q3	..... is the method of calculating goodwill. (a) Average profit method (b) Super profit method (c) Capitalization method (d) All of the above	2
Q4	Authorized capital is also called as (a) Nominal capital (b) Registered capital (c) Both a and b (d) None of these	3
Q5	When the shares are issued at more than face value it is called as issue of shares at (a) Par (b) Discount (c) Premium (d) None of these	2
Q6	When a shareholder is unable to pay allotment and calls money then he should pay interest on (a) Calls in arrears (b) Calls in advance (c) Either of the above	1

	(d) None of these	
Q7	Super profit is the excess of profit over (a) Normal profit (b) Average profit (c) Any of the above (d) None of these	1
Q8	The accounting standard 2 deals with (a) Valuation of Inventories (b) Disclosure of Accounting Policies (c) Both a and b (d) None of these	1
Q9	In a Hire purchase agreement the ownership is transferred upon payment of (a) First Installment (b) Last Installment (c) Half installments (d) None of these	2
Q10	When the shares are issued at less than face value it is called as issue of shares at (a) Par (b) Discount (c) Premium (d) None of these	1
Q11	When a shareholder is able to pay all amount on allotment then he gets interest on (a) Calls in arrears (b) Calls in advance (c) Either of the above (d) None of these	2
Q12	The accounting standard 1 deals with (a) Valuation of Inventories (b) Disclosure of Accounting Policies (c) Both a and b (d) None of these	1
Q13	The amount of ..... received in case of forfeited shares is not considered while passing entry of forfeiture. (a) Share premium (b) Calls money (c) Application (d) Allotment	2
Q14	Amalgamation can take place in the nature of (a) Merger (b) Purchase (c) Both of the above (d) None of these	1
Q15	In a hire purchase system a Seller is called as (a) Hire purchaser (b) Hire vendor (c) Any of the above	3

	(d) None of these													
	<b>Section – B (10 x 5 = 50 Marks)</b>													
Q16	<p>On 1<sup>st</sup> January, 1997, Mahesh company purchased a car from motor sales ltd. on hire purchase system. The cash price of the car was Rs. 1,48,000 and the payment was to be made as follows:-</p> <p>Rs.40,000 was to be paid on signing the agreement and the balance in three installments of Rs.40,000 each payable at the end of each year. Motor sales ltd. charged interest at 5% p.a. Mahesh company has decided to write off 10% annually on the diminishing balance of the value of car as depreciation. Calculate the amount of interest, principal, depreciation in each installment. Journal entries are not required.</p>	2												
Q17	Explain the concept of profit or loss prior to incorporation.													
Q18	<p>P Limited purchased goods worth Rs.2,00,000 from Q Limited and paid 20% in cash and balance in the form of shares at</p> <p>a) Par b) 20% Discount c) 60% Premium</p> <p>Pass Journal Entries.</p>													
Q19	P and R Ltd forfeited 40 shares which were issued at a premium of Rs.10 per share for nonpayment of first call Rs.20 and final call Rs.10. 25 of these shares were reissued at Rs.95 per share. Pass the journal entries													
Q20	<p>Calculate goodwill on the basis of 4 years purchase of the average profit of last 5 years.</p> <table> <thead> <tr> <th>Years</th> <th>Profit (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10,000 (includes abnormal gain of Rs.3,000)</td> </tr> <tr> <td>2</td> <td>15,000 (excludes Rs.5,000 as theft of cash)</td> </tr> <tr> <td>3</td> <td>20,000 (excludes loss by fire Rs.5,000)</td> </tr> <tr> <td>4</td> <td>8,000</td> </tr> <tr> <td>5</td> <td>(3000)</td> </tr> </tbody> </table>	Years	Profit (in Rs.)	1	10,000 (includes abnormal gain of Rs.3,000)	2	15,000 (excludes Rs.5,000 as theft of cash)	3	20,000 (excludes loss by fire Rs.5,000)	4	8,000	5	(3000)	
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	<b>Section C (1 x 20 = 20 Marks)</b>													
Q21	<p>Vishal Limited was registered with the authorized capital of Rs.5,00,000 divided into 5,000 shares of Rs.100 each. It offered to the public 3,000 shares on which amount is payable as follows.</p> <p>Application - Rs.3      Allotment - Rs.2      1st call - Rs.3      Final call - Rs.2</p> <p>Applications were received for 3,600 shares and pro rata allotment was made to all applicants. Ram, a holder of 30 shares failed to pay allotment money and on his failure to pay 1st call, his shares were forfeited. Mahesh, who applied for 60 shares failed to pay calls money, his shares were also forfeited. All these forfeited shares were reissued at Rs.9 per share fully paid up. Pass journal entries.</p>	3												