



**M.Com. I Semester Degree Examination, April/May - 2024**

**COMMERCE**

**Contemporary Areas of Financial Accounting**

**(NEP)**

Time : 3 Hours

Maximum Marks : 70

**Note :** Answer **any five** of the following questions with Question No. 1 (Q1) **Compulsory**.  
Each question carries **fourteen** marks.

1. The following information is extracted from the Balance Sheet of XYZ Company as on 31<sup>st</sup> December 2015. **14**

Particulars	01-01-2015	31-12-2015
Equity Share Capital (10000 shares of Rs.100 each)	10,00,000	10,00,000
Reserves and Surplus	5,40,000	6,20,000
Proposed Dividend	1,20,000	1,40,000
Long-term loans	6,00,000	8,00,000
Cash and Bank balance	40,000	80,000

Further it is given that :

- (a) Cost of Sales Adjustment = Rs. 1,10,000  
(b) Depreciation Adjustment = Rs. 78,000  
(c) Monetary Working Capital Adjustment = Rs. 82,000

From the above information, Compute Gearing Adjustment as per Current Cost Accounting Method.

2. (a) Define Human Resource Accounting. Explain its applications. **7**  
(b) XYZ is a tax consultancy services, it has reported an operating profit of Rs. 15,00,000 and Rs. 8,90,000 as net profit. The expenses of the company for the recruitment and training for the last 6 years are as follows. **7**

Years	Current Year	2022	2021	2020	2019	2018
Cost of Recruitment and Training (Rs in Lakhs)	28	32	26	14	08	12

An employee who joins XYZ Ltd. stays for 4 years.

**Calculate :**

- (a) The value of human resources, capitalized value and amortized value for each year.  
(b) The adjusted operating profit for the current year.



3. Mr. Ashok has made following transactions during the financial year 2021-22. **14**

<b>Date</b>	<b>Particulars</b>
15-06-2021	Purchased 1,50,000 equity shares of Rs 10 each in Alpha Ltd, for Rs 25 each through a broker, who charged brokerage at 2%.
14-10-2021	Alpha Ltd, made a bonus issue of two equity shares for every three shares held.
31-10-2021	Sold 80000 shares in Alpha Limited for Rs. 22 each
01-02-2023	Received 15% interim dividend on equity shares of Alpha Limited

Prepare an Investment Account for equity shares of Alpha Limited in the books of Mr. Ashok for the year ended 31<sup>st</sup> March 2022.

4. (a) What is Brand Accounting ? Discuss the types of Brand Accounting in detail. **7**  
 (b) The net profits of a Company, after providing for taxation, for the past five years are Rs. 42,000, Rs. 47,000, Rs. 45,000, Rs. 39,000, and Rs. 47,000. The capital employed in the business is Rs.4,00,000 on which reasonable rate of return of 10% is expected. From the above information calculate the goodwill under capitalization of average profit method. **7**
5. From the following information of ABC Company, you are required to prepare Social Income statement for the year 2001. **14**

<b>Particulars</b>	<b>Amount (Rs)</b>
1. Education facilities	25,000
2. Training and development	1,00,000
3. Medical and hospital facilities	80,000
4. Canteen facilities	60,000
5. Township and housing facilities	1,20,000
6. Concessional transport	48,000
7. Holiday benefits	90,000
8. Lay off and involuntary termination	56,000
9. Extra hours worked by employees but not paid	1,20,000
10. Business generation	1,14,000
11. Central taxes and duties	80,000
12. Foreign exchange earned	74,000
13. Research and development efforts	86,000
14. State services and facilities consumed	77,000
15. Central services and facilities consumed	98,000
16. Taxes and duties of State	89,000
17. Foreign exchange saved	65,000
18. Social cost to community	1,22,000
19. Environmental improvements	45,000
20. Generation of job potential	72,000
21. Taxes paid to local authorities	88,000
22. Welfare activity for the community	54,000
23. Increase in cost of living in the vicinity of company	91,000
24. Business generation for community	32,000
25. Bonus and other benefits	41,000



6. (a) Explain the objectives of Human Resource Accounting. **7**  
 (b) What do you mean by Investment Accounting ? Elucidate investments on the basis of income. **7**
7. Balance sheet of Mr. X as on 31<sup>st</sup> December 2001 was as under. **14**
- | <b>Liabilities</b> | <b>Amount</b>   | <b>Assets</b> | <b>Amount</b>   |
|--------------------|-----------------|---------------|-----------------|
| Capital            | 2,50,000        | Land          | 1,18,000        |
| Creditors          | 80,000          | Machinery     | 1,10,000        |
| Bills Payable      | 20,000          | Furniture     | 2,000           |
|                    |                 | Stock         | 70,000          |
|                    |                 | Cash at Bank  | 50,000          |
|                    | <b>3,50,000</b> |               | <b>3,50,000</b> |
- (i) The profit of the business for the five years ending 31<sup>st</sup> December 2001 is,
- | <b>Year</b> | <b>Amount</b> |
|-------------|---------------|
| 1997        | 40,000        |
| 1998        | 42,000        |
| 1999        | 45,000        |
| 2000        | 50,000        |
| 2001        | 53,000        |
- (ii) The assets are revalued as under
- |           |          |
|-----------|----------|
| Land      | 1,94,000 |
| Machinery | 1,18,000 |
| Furniture | 1,000    |
- (iii) The reasonable return on capital invested is 10% p.a  
 (iv) Assume that the normal management remuneration is Rs. 6000  
 From the above information find out goodwill by capitalization method
8. (a) Explain adjusted discounted future wage method. **5**  
 (b) What do you mean by Cloud Based Accounting ? Discuss its essentials. **5**  
 (c) Explain the procedure for valuation of investment. **4**

