

ARUNACHAL PRADESH PUBLIC SERVICE COMMISSION

Subject: - Advanced Accountancy

Time: 3 (three) hours

Full Marks: 100

(Group A is compulsory. Attempt any FOUR questions from Group- B)

GROUP-A (Compulsory Group)

Q. No. 1 Write short notes on any 10 (ten) from the following (10X2=20)

- a) What is Revenue Expenditure.?
- b) Matching Concept.
- c) Real Accounts.
- d) What are operating expenses?
- e) Kinds of Errors.
- f) Single Entry System.
- g) Cash Discount.
- h) Full Disclosure Concept.
- i) What is subsidiary books?
- j) What is Contra Entry?
- k) What is Petty Cash Book?
- l) Kinds of Errors.

GROUP- B (Attempt any FOUR)

Q. No.2 Attempt any 4(Four) from the following: (4x5=20)

- a) What do you understand by Fund Flow Statement? How is it Prepared?
- b) What are the circumstances in which there may be a need for valuation of share of a joint stock company?
- c) Write short notes on Debtors system and Stock and Debtors system.
- d) What do you understand by the Branch Adjustment? Explain Clearly.
- e) What are the limitations of financial statement analysis?
- f) Distinction between Statement of Affairs and Balance Sheet.

Q.No.3 From the following particulars, calculate the value of goodwill by capital (20)

Average profit of a firm during the past few years	Rs. 50,000
Normal rate of return in a simple type of business	20%
Net tangible assets of the firm	Rs. 160,000

Q.No.4 P and Q are partners in a firm sharing profits and losses in the ratio of 3:2. R is admitted into the partnership with one-fifth share of profits. P and Q have capital balance of Rs. 22,000 and Rs. 18,000 respectively after bringing all adjustments in the capitals. It is agreed that R's capital should proportionate to his profit sharing ratio. Compute the amount to be brought in by R for capital. (20)

Q.No.5 To which items the 'Adjustment Clause' made applicable under loss of profits insurance? What is the purpose of making such adjustments? How will you arrange for mitigation of loss of profits claims? (20)

Q.No.6 Prepare Profit and Loss Account, from the following balances of Mr.Kandan for the year ending 31.12.2003.

Office rent	Rs. 30,000	Salaries	Rs. 80,000
Printing expenses	Rs. 2,000	Stationeries	Rs. 3,000
Tax, Insurance	Rs. 4,000	Discount allowed	Rs. 6,000
Advertisement	Rs. 36,000	Travelling expenses	Rs. 26,000
Gross Profit	Rs.2,50,000	Discount received	Rs. 4,000

(20)

Q. No.7 Describe the basic information processing model of an accounting system. (20)

Q.No.8 What is Goodwill? Explain the various factors that affect the valuation of Goodwill. Describe the various methods of valuation of Goodwill. (20)