

R/E (60:40)

R-2016-17 till 2020-21

E-2016-17 till 2019-20

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**MASTER OF COMMERCE (M.COM.)**  
**EXAMINATION : MAY 2022**  
**SECOND SEMESTER**  
**Sub: Company Accounting (MCA-211)**

Date: 19 /05/2022

Total Marks :60

Time: 2.00 pm to 4.30 pm

- Instructions:**
- 1) All questions are compulsory.
  - 2) Figures to the right indicate full marks.

**Q.1 Answer the following questions. (Attempt any two) (32)**

1. From the following balance sheet of H Ltd. and its subsidiary S Ltd. drawn up at 31<sup>st</sup> March,2021 prepare a consolidated balance sheet as at that date, having regard to the following.
  - i) Reserves and Profit and Loss account (Cr) of S Ltd. stood at Rs. 25,000 and Rs.15,000 respectively. On the date acquisition of its 80% shares by H Ltd.
  - ii) Machinery (book value Rs. 1,00,000) and furniture ( Book value Rs. 20,000) of S Ltd. were revalued at Rs. 1,50,000 and Rs. 15,000 respectively . For the purpose of fixing the price of its shares. Book values of other assets remaining unchanged. These values are to be considered for consolidation purposes.

<b>I) EQUITY AND LIABILITIES</b>	<b>H Ltd. (in Rs.)</b>	<b>S Ltd. (in Rs.)</b>
<b>1) Shareholders' Funds</b>		
a) Share capital Authorized, issued, subscribed and paid up Equity shares of Rs. 100 each, fully called up and paid up	5,00,000	1,00,000
b) Reserve and Surplus General Reserve Profit and loss account	2,00,000 1,00,000	75,000 25,000
<b>2) Current Liabilities</b> Trade payables	1,55,000	50,000
<b>TOTAL</b>	<b>9,50,000</b>	<b>2,50,000</b>
<b>I) ASSETS</b>		
<b>1) Non-Current Assets</b>		

<b>a) Fixed Assets</b>		
Machinery	3,00,000	90,000
Land and Building	50,000	17,000
Goodwill	4,40,000	1,43,000
<b>b) Long term investment</b>		
800 shares in S Ltd. (at cost)	160000	
<b>TOTAL</b>	<b>9,50,000</b>	<b>2,50,000</b>

2. From the following particulars of Cow. Ltd. calculate the maximum remuneration payable to the managing director and other part-time directors of the company:

Net Profit before provision for income-tax and managerial remuneration, but after depreciation and provision for repairs	86,84,100
Depreciation provided in the books	32,00,000
Repairs for machinery provided for during the year	2,50,000
Actual expenditure incurred on repairs during the year	1,50,000

3. Explain in detail partial, firm and complete underwriting.
4. From the following balance sheet of Maharashtra products Ltd., find out the values of equity shares and preference shares:

PARTICULARS	NOTE NO	AMOUNT AS AT 31 <sup>ST</sup> MARCH 2021
		Rs.
<b>I) EQUITY AND LIABILITIES</b>		
1. Shareholder's Funds		
a) Share capital	1	300000
b) Reserve and Surplus	2	40000
2. Current Liabilities		
a) Short term borrowings	3	5000
b) Trade Payables		60000
c) Other current liabilities		20000
<b>TOTAL</b>		<b>425000</b>
<b>II) ASSETS</b>		
1) Non-Current Assets		

a) Fixed assets	4	190000
b) Preliminary expenses	5	3000
2) Current Assets		
a) Inventories		80000
b) Trade receivables		150000
c) Cash at Bank		2000
<b>TOTAL</b>		<b>425000</b>
<b>Note No.1 Share Capital</b>		
20000 equity shares of Rs.10 each		200000
8% 1000 preference shares of Rs. 100 each		100000
		<b>300000</b>
<b>Note No.2 Reserves and surplus</b>		
Reserve		30000
Profit and loss account		10000
		<b>40000</b>
<b>Note No.3 Short term Borrowings</b>		
Overdraft		<b>5000</b>
<b>Note No.4 Fixed Assets</b>		
Machinery		160000
Furniture		5000
Goodwill		25000
		<b>190000</b>
<b>Note No.6 Other non-current Assets</b>		
Preliminary expenses		3000

Further information:

Goodwill is valued at Rs. 15000. Stock is overvalued by Rs. 10000. Machinery is undervalued by Rs. 15000.

**Q.2 Answer the following. (Attempt any one)**

**(08)**

1. What is meant by Human Resource Accounting? Explain the objective of HR accounting in brief.
2. The Balance Sheets of A Ltd. And B Ltd. As on 31<sup>st</sup> March 2021 are given below:

I.	EQUITY AND LIABILITIES	A Ltd.	B Ltd.
		Amount(Rs.)	Amount (Rs.)
	1. Shareholder's Funds		
	a. Share capital		
	Authorized, Issued, subscribed and paid up capital		
	Equity shares of Rs.100 each, fully called up and paid up	600000	200000
	b. Reserves and surplus		
	General Reserve	60000	40000
	Profit and Loss A/c.	80000	30000
	2. Current Liabilities		
	Trade Payables	75000	48000
	<b>TOTAL</b>	<b>815000</b>	<b>318000</b>
II	ASSETS		
	a) Fixed Assets		
	Tangible fixed assets	591000	318000
	b) Long term Investment		
	1600 shares in B Ltd.(at cost)	224000	
	<b>TOTAL</b>	<b>815000</b>	<b>318000</b>

H Ltd. Acquired the shares in S Ltd. On 31<sup>st</sup> March 2021. The plant worth book value of Rs. 60000 included in sundry assets of S Ltd. was revalued at Rs. 50000 on this date.

Prepare the consolidated balance sheets of H Ltd. and S Ltd. as on that date.

3. What is meant by Managerial Remuneration? Describe in detail rates of remuneration for Manager and Director.

**Q.3 Write short notes. (Attempt any two) (10)**

1. Cash and cash equivalents
2. Amalgamation
3. Objectives of Human Resource Accounting
4. Long term borrowings

**Q.4 Select the Correct Alternatives (Attempt Any Ten) (10)**

1. When the whole of the issue of shares or debentures is underwritten only by one underwriter is called as complete underwriting.

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|--------------------|---------------------|
| a) True            | b) False            |
| c) Some times true | d) Some times False |

2. Capital reserve account has to be shown in the liabilities side of the balance sheet under the heading \_\_\_\_\_.

- |                   |                         |
|-------------------|-------------------------|
| a) Share capital  | b) Reserves and surplus |
| c) Current assets | d) Fixed assets         |

3. An \_\_\_\_\_ is the time between the acquisition of assets for processing and their realization in Cash or cash equivalents.

- |                 |                    |
|-----------------|--------------------|
| a) Inventories  | b) Operating cycle |
| c) All of these | d) None of these   |

4. One of the reasons for not implementing environmental accounting is lack of accounting standard for environmental accounting.

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|--------------------|---------------------|
| a) True            | b) False            |
| c) Some times true | d) Some times false |

5. International Accounting Standards (IAS) is formulated by \_\_\_\_\_.

- |  |                                    |
|--|------------------------------------|
| a) International Financial Reporting Standards | b) Human Resource Accounting Board |
| c) International Accounting Standard Board     | d) Environmental Accounting Board  |

6. If only part of the issue of shares or debentures of a company is underwritten, it is said to be \_\_\_\_\_.

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|--------------------------|----------------------|
| a) Partial underwriting  | b) Firm underwriting |
| c) Complete underwriting | d) None of these     |

7. The claim of outside shareholders in the subsidiary company is called as \_\_\_\_\_.

- |  |                      |
|--|----------------------|
| a) Holding company's share of interest | b) Minority Interest |
| c) Consolidation                       | d) None of these     |

8. Preliminary expenses are the item under \_\_\_\_\_ heads.
- a) Current Assets
  - b) Non-current assets
  - c) Fixed Assets
  - d) Profit and loss account
9. Formula for productivity factor is \_\_\_\_\_.
- a) Profit /no. of equity shares
  - b) average profit/average net worth x 100
  - c) market value per share/earning per share
  - d) profit for dividend/ total paid up equity capital
10. Brands/trademarks are one of the following assets.
- a) Tangible asset
  - b) Intangible asset
  - c) provision
  - d) current asset
11. \_\_\_\_\_ of accounting is followed in case of an amalgamation in the nature of merger.
- a) Net payment method
  - b) Net asset method
  - c) Pooling of interest method
  - d) Purchase method
12. The special resolution passed by the company for managerial remuneration will remain valid for \_\_\_\_\_ number of years.
- a) 2
  - b) 5
  - c) 10
  - d) 8

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