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

Date: 08/06/2022

Total Marks :100

Time: 10.00 am to 1.00 pm

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

Q.1 Answer the following questions. (Attempt any two) (30)

1. ABC Ltd issued 50,000 equity shares. The whole of the issues was underwritten as follows :

X 40% , Y 30% ,Z 30% .

Applications for 40,000 shares were received in all ,out of which application for 10,000 shares had the stamp of those for 5,00 shares that of Y and those for 10,000 shares had the stamp of X ; those for 10,000 shares that of Z . The remaining applications for 15,000 shares did not bear any stamp.

Determine the liability of the underwriters.

2. Poona Limited was incorporated on 1st August, 2021 with an authorized capital of 500000 equity shares of Rs. 10 each to acquire the business of Mr. X with effect from 1st April, 2021. The purchase consideration by the issue of 40000 equity shares of Rs. 10 each as fully paid up and 3000 9% Debentures of Rs. 100 each as fully paid-up.

The entries relating in the transfer were not made in the books which are carried on without a break until 31st March, 2022. On 31st March, 2022 the trial balance showed the following

Particulars	Rs.	Rs.
Sales		10,43,700
Purchase	7,76,580	
Advertising	37,800	
Postage & Telegram	8,820	
Rent and Rates	18,420	
Packing Expenses	16,800	
Office Expenses	12,540	
Opening Stock as on 1/4/2010	1,05,220	
Directors Fess	20,000	
Debenture Interest	18,000	
Land and Building	3,00,000	
Plant and Machinery	1,80,000	
Furniture	20,000	

Debtors	1,39,500	
Cash at Bank	40,000	
Cash in hand	4,900	
Bills Payable		30,000
Creditors		53,240
Preliminary Expenses	7,360	
X's Capital A/c		5,89,000
X's Drawing A/c	10,000	
	17,15,940	17,15,940

You are also given the following additional information :-

- i) Stock on 31st March, 2012 amounted to Rs. 98,920.

The average monthly sales for April, May and June were one half of those for the remaining months of the year and the gross profit margin was constant throughout the year. You are required to calculate the profit prior and post incorporation as on 31st March, 2022.

3. From the following particulars calculate the value of equity shares.

2000 9% preference shares of 100 each Rs. 2,00,000 .

50,000 equity shares of 10 each. (Rs. 8 per share paid up)

Rs. 4,00,000

Expected profit per year before tax Rs. 2,18,000

Rate of Tax 40%

Transfer to general reserve every year 20% profit

Normal rate of earning 15%

4. Describe in detail treatment of remuneration to Manager and Director and statutory rates for managerial remuneration

Q.2 Answer the following. (Attempt any three) (30)

1. Describe the concept of Environmental Accounting.
2. Describe the objectives of HR Accounting.
3. Explain the need for valuation of shares.
4. Explain in detail partial, firm and complete underwriting.
5. Application of Environmental Accounting

Q.3 Write short notes. (Attempt any four) (20)

1. Net Assets Method.
2. Types of underwriting.
3. Methods of Purchase Consideration.
4. Dividend
5. Types of Shares
6. Mutual funds

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

(20)

- 1 Long term liabilities are -----.
a) Debentures
b) Capital
c) Bonds
d) All of these
- 2 Intangible assets are -----.
a) Building
b) Machine
c) Stock
d) Patents
- 3 Every company registered under the Act shall prepare its Balance Sheet, Statement of Profit and Loss and notes thereto in accordance with the manner prescribed in -----.
a) Section VI
b) Schedule VI
c) Clause VI
d) Provision VI
- 4 Capital Reserve Account has to be shown in the liabilities side of the Balance Sheet under the heading -----.
a) Reserve and Surplus
b) Authorised Capital
c) Current liabilities
d) Loan
- 5 If only a part of the issue of shares or debentures of a company is underwritten, it is said to be -----.
a) Complete underwriting
b) Full underwriting
c) Partial underwriting
d) Incomplete underwriting
- 6 ----- at a corporate level deals with identification, measurement, recognition and disclosure of environmental costs, liabilities and contingencies in the financial records of a company for the benefit of various internal and external stakeholders.
a) Environmental accounting
b) IFRS
c) HRA
d) IAS
- 7 Cost of Control is also known as -----.
a) Goodwill
b) Cost control
c) Cost cutting
d) None of these
- 8 Inventories shall be classified as -----.
a) Raw material
b) Work-in-progress
c) Finished goods
d) All of the above
- 9 HRA stands for -----.
a) Human Research Association
b) Human Resource Accounting
c) Human Resource Association
d) Human Research Accounting
- 10 ----- basis valuation may take the form of valuation based on rate of return and productivity factor.
a) Yield
b) Dividend
c) Rate of earning
d) Profit
- 11 ----- method is applicable for amalgamation which are in the nature of purchase.
a) Purchase method
b) Pooling method
c) Yield method
d) Rate of return method
- 12 Accumulated losses of the subsidiary company upto the date of acquisition of shares by the holding company are called -----.
a) Pre- acquisition
b) Post- acquisition losses
c) Non- acquisition losses
d) Pre- takeover losses