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MASTER OF COMMERCE (M.COM.)
EXAMINATION : DECEMBER - 2023
SECOND SEMESTER
Sub: Company Accounting(MCA-211)

Date: 14/12/2023

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. Following is the balance sheets of Harsh Ltd. and Sona Ltd.as at 31st March 2021

I) EQUITY AND LIABILITIES	Harsh Ltd. (in Rs.)	Sona Ltd.(in Rs.)
1) Shareholders' Funds		
a) Share capital Authorized, issued, subscribed and paid up Equity shares of Rs. 100 each, fully called up and paid up	5,00,000	2,00,000
b) Reserve and Surplus General Reserve Profit and loss account	1,00,000 1,40,000	60,000 90,000
2) Current Liabilities		
Bills payable		40,000
Trade payables	80,000	50,000
Total	8,20,000	4,40,000
II) ASSETS		
1) Non-Current Assets		
a) Fixed Assets		
Machinery	1,60,000	90,000
Land and Building	2,00,000	1,30,000
Goodwill	40,000	30,000
b) Long term investment 1500 shares in Sona Ltd. (at cost)	2,40,000	
2) Current Assets		
Trade Receivables	20,000	75,000

Stock	1,00,000	90,000
Cash at Bank	60,000	25,000
Total	8,20,000	4,40,000

The profit and loss account of Sona Ltd. showed a credit balance of Rs. 50,000 on 1st April 2020. A dividend of 15% was paid in December 2019 for the year 2019-20. This dividend was credited to Profit and loss account by Harsh Ltd.

Harsh Ltd. acquired the shares in Sona Ltd. on 1st October 2020.

The bills payable of Sona Ltd. were all issued in favor of Harsh Ltd. which company got the bills discounted.

Included in the creditors of Sona Ltd. is Rs.20,000 for goods supplied by Harsh Ltd. included in the stock Sona Ltd. are goods to the value of Rs. 8,000 which were supplied by Harsh Ltd. at a profit of 33 1/3% on cost.

In arriving at the value of Sona Ltd. shares, the plant and machinery which then stood in the books at Rs. 1,00,000 on 1.4.2020 was revalued at Rs. 1,50,000. The new value was not incorporated in the books. No change in these has been made since then.

Prepare the consolidated balance sheet as on that date.

2. 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

3. Describe in detail treatment of remuneration to Manager and Director and statutory rates for managerial remuneration
4. State and explain Application of Environmental Accounting

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

(30)

1. From the following figures calculate the value of share of Rs. 10 on (i) Divided basis and ii) return on capital employed basis, the market expectation being 12%.

Year ended on 31 st March	Capital employed	Profit	Divided (%)
2014	1,00,000	1,60,000	12
2015	16,00,000	3,20,000	15
2016	20,00,000	4,40,000	18
2017	30,00,000	7,50,000	20

2. Explain detail partial, firm and complete underwriting

3. Explain the Need for valuation of shares
4. Discuss Long term borrowings
5. Write a note on Net payment method

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

(20)

1. IFRS
2. Goodwill
3. Minority interest
4. Working capital
5. Equity shares
6. Revenue

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

(20)

- 1 IFRS stands for _____.
 - a) International Financial Reporting standards
 - b) Indian Finance Reporting System
 - c) International Fixed Reporting system
 - d) Indian Fixed Reporting Standards
- 2 If only a part of the issue of shares or debentures of a company is underwritten, it is said to be _____.
 - a) Partial underwriting
 - b) Full underwriting
 - c) Commission underwriting
 - d) Firm underwriting
- 3 An _____ is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.
 - a) Employee cycle
 - b) Interest cycle
 - c) Operating cycle
 - d) working capital
- 4 Profit or loss prior to incorporation is of _____ nature and as such it is necessary to ascertain such profit or loss as accurately as possible.
 - a) Time
 - b) Revenue
 - c) Sales
 - d) Capital
- 5 Section _____ of the companies Act, 1956 contains the provisions relating to the remuneration payable to the directors.
 - a) 309
 - b) 310
 - c) 387
 - d) 386
- 6 _____ is one the intangible assets.
 - a) Plant and machinery
 - b) Goodwill
 - c) Land and building
 - d) Furniture
- 7 _____ is the claim of outside shareholders in the subsidiary company which has to e assessed and shown as a liability in the consolidated balance sheet.
 - a) Pre-acquisition profit
 - b) Post acquisition profit
 - c) Minority interest
 - d) Profit on revaluation
- 8 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
- 9 _____ means two or more existing companies goes into liquidation and a new company is formed to take over their business.
 - a) Underwriting
 - b) Amalgamation
 - c) External reconstruction
 - d) Internal reconstruction

- 10** _____ represents the earning power in relation to the value of assets employed for such earnings.
- a) Rate of earnings
 - b) Price earning ratio
 - c) Productivity factor
 - d) Capitalization factor
- 11** _____ refers to the returns which a shareholder earns on his investment
- a) Rate of return
 - b) Normal returns
 - c) Productivity returns
 - d) capitalization factor
- 12** Accumulated losses of the subsidiary company up to the date of acquisition of shares by the holding company is called -----.
- a) Pre- acquisition
 - b) Post- acquisition losses
 - c) Non- acquisition losses
 - d) Pre- takeover losses