

**2024/FYUG/EVEN/SEM/
COMDSC-151T/110**

FYUG Even Semester Exam., 2024

COMMERCE

(2nd Semester)

Course No. : COMDSC-151T

(Corporate Accounting)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

SECTION—A

Answer any ten of the following questions :

2×10=20

- 1. Mention any two factors affecting the value of goodwill.**
- 2. Name two methods of valuation of goodwill.**
- 3. Name two methods of valuation of shares.**
- 4. What do you mean by a contingent liability?**
- 5. Write a note on 'interim dividend'.**
- 6. Point out any two differences between Capital Reserve and Reserve Capital.**

7. Name two types of amalgamation.
8. Which accounting standards deal with amalgamation?
9. Name two methods of internal reconstruction.
10. What are the modes of liquidation?
11. Who are preferential creditors as per Section 327 of the Companies Act, 2013?
12. How would you calculate the minority interest for a holding company?
13. Point out any two significances of Corporate Governance Reports.
14. What are the primary objectives of Corporate Reporting?
15. How does corporate reporting differ between Public and Private Companies?

SECTION—B

Answer any *five* of the following questions :

10×5=50

16. Mention the precautions to be taken while valuing goodwill. Discuss the various types of goodwill and methods of calculating goodwill. Support your answer with suitable examples.

17. Books of Murari Ltd., show the following Ledger balances as on 31st December, 2023 :

Liabilities	₹	Assets	₹
Share Capital :		Property, Plant	
₹ 10 each	3,00,000	and Equipment	4,50,000
General Reserve	1,20,000	Current Assets	30,000
Loans	50,000		
Current Liabilities	10,000		
	<u>4,80,000</u>		<u>4,80,000</u>

It is observed that property, plant and equipment are under valued by ₹ 30,000. The current assets are overvalued by ₹ 2,000. The assets are to be valued properly.

It is proposed to issue fully paid shares by capitalization of General Reserve in ratio of one share for three shares held.

Find the value of shares by Net Assets Method—

- (a) before issue of bonus shares;
- (b) after issue of bonus shares.

18. Narrate the term 'Financial Statement'. Prepare a summarised form, the Balance Sheet of a company as per Companies Act, 2013, taking imaginary figures.

19. Prepare Balance Sheet as at 31st March, 2024 from the particulars furnished by Vision Ltd., as per Schedule III of the Companies Act, 2013 :

	₹	
Equity Share Capital (₹ 10 each fully paid)	8,00,000	
Calls-in-arrear	800	
Land	1,70,640	
Building	2,80,000	
Plant and Machinery	4,20,000	
Furniture	40,000	
General Reserve	1,68,000	
Loan from IDBI	1,20,000	
Loans (Unsecured)	96,800	
Provision for Taxation	54,400	
Sundry Debtors	1,60,000	
Advances (Dr.)	34,160	
Proposed Dividend	48,000	
Surplus A/c	80,000	
Cash Balance	24,000	
Cash at Bank	1,97,600	
Sundry Creditors (For goods and expenses)	1,60,000	
Stock :		
Finished Goods	1,60,000	
Raw Materials	40,000	2,00,000

Adjustments :

- (i) 1500 Equity Shares were issued for consideration other than cash
- (ii) Loan of ₹ 1,20,000 from IDBI is inclusive of ₹ 6,000 for interest accrued but not due. The loan is hypothecated by Plant and Machinery
- (iii) Debtor of ₹ 50,000 are due for more than six months
- (iv) The cost of assets
 Building—₹ 3,20,000
 Plant and Machinery—₹ 5,60,000
 Furniture—₹ 50,000
- (v) Bank balance includes ₹ 2,000 with Trust Bank Ltd. which is not a Scheduled Bank
- (vi) Bills receivable for ₹ 2,20,000 maturing on 30th June, 2024 have been discounted
- (vii) The company had contract for the erection of machinery at ₹ 1,50,000 which is still incomplete; schedule number as working note is not required

20. Define purchase consideration. Explain various methods to calculate it by taking suitable examples.

21. The ledger balances of X Co. Ltd. as on 31st March, 2024 are :

	₹
Property, Plant & Equipment	7,00,000
Investments	10,000
Stock and Debtors	8,50,000
Discount on Debentures	20,000
Equity Share Capital (60% paid)	6,00,000
10% First Debentures	2,00,000
12% Second Debentures	5,00,000
Bank Overdraft	50,000
Trade Creditors (including Y for ₹ 8,50,000)	11,50,000
Outstanding interest for one year on both types of debentures	80,000

Due to heavy losses, the following schemes of reconstruction are agreed :

- To make the existing ₹ 100 each shares fully paid up and then to reduce them to ₹ 20 each
- To settle the claims of first debenture holders by issuing 13.5% 2000 debentures of ₹ 100 each
- To discharge the claims of the second debenture holders by issuing 15%, 4000 debentures of ₹ 100 each
- To pay ₹ 3,00,000 to Mr. Y in full settlement of his account

- To allot 15000 fresh equity shares of ₹ 20 each to discharge the remaining trade creditors

- Market value of investment is ₹ 20,000

- To write off the fictitious assets and to reduce the property, plant and equipments

Assuming all formalities are duly complied with, pass Journal Entries to give effect to the above scheme

22. Narrate the term 'Parent Company'. Discuss the various steps/processes involved in preparing a 'Consolidated Balance Sheet'.

23. The following is the Balance Sheet of Falgun Press Ltd. which is under liquidation :

Liabilities	₹	Assets	₹
Share Capital :		Fixed Assets	2,00,000
2000 Equity Shares		Inventory	1,20,000
of ₹ 100 each,		Book Debts	2,40,000
fully paid	2,00,000	Cash in Hand	40,000
2000 Equity Shares		Profit & Loss A/c	2,00,000
of ₹ 100 each,			
₹ 75 called up	1,50,000		
8% Debentures	1,00,000		
Interest Outstanding on			
Debentures	8,000		

Liabilities	₹	Assets	₹
City Bank Loan (on Security of Inventory)	1,00,000		
Trade Creditors	2,42,000		
	<u>8,00,000</u>		<u>8,00,000</u>

Debentures and interest there on secured by a floating charge on all assets

Liquidators remuneration ₹ 10,000 and liquidation expenses ₹ 3,000 were paid out of cash in hand as per Balance Sheet

The assets realized as follows :

Fixed Assets—₹ 1,65,000

Inventory—₹ 1,20,000

Book Debts—₹ 2,20,000

Calls on partly paid shares were made but the amount due on 100 shares was found to be irrecoverable

Prepare Liquidators Final Statement of A/c.

24. Write an overview of the key components of the Regulatory Framework for Corporate Reporting in India.

25. Point out any five essential features of value added reports. State in brief any five key components of Auditor's Report.
