MCOSC-1.1A/C

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First Semester M.Com. Degree Examination, June/July- 2024

(SLM Scheme) (CBCS)

COMMERCE

Course - I : Advanced Financial Accounting (Soft Core Stream)

Time : 3 Hours **Max. Marks : 80**

PART - A

Answer **any four** questions. Each question carries Five marks : **[4 × 5 = 20]**

Q1) Distinguish between Departmental accounts and branch accounts

Q2) Write a note on provisions for the calculations of managerial remuneration.

Q3) Briefly Explain the Provisions of companies Act 2013.

Q4) What is share? Explain the methods of Valuation of Shares.

Q5) Write a short note on compulsory winding up of company

Q6) List out the differences between amalgamation in the nature of merger and amalgamation in the nature of purchase.

PART - B

Answer **any three** questions. Each questions carries 10 marks : **[3 × 10 = 30]**

Q7) Explain the various forms and legal provisions of internal reconstruction.

Q8) What are branch accounts? Briefly explain the types of branches.

Q9) Explain the important concepts to be known while preparing Balance Sheet.

Q10) Following is the Balance sheet of Sharan Ltd. As on 31-3-2023.

Liabilities	Rs	Assets	Rs
Share Capital	1,25,000	Good will	10,000
12,500 Equity shares		Machinery	85,000
of 10 each		Buildings	30,000
General Reserve	25,000	Investments	12,500
P & L account	25,000	Stock	20,000
Sundry Creditors	25,000	Sundry Debtors	30,000
		Bank	7,500
		Preliminary expenses	5000
	2,00,000		2,00,000

On 31 -3-2023, Goodwill is valued at Rs. 17,500 and buildings at Rs, 40,000. Machinery is to be depreciated by Rs. 5,000, Stock is worth of Rs. 22,500 and debtors are expected to realize Rs.25,000.

The netprofit earned by the company amounted to Rs. 15,000 in 2021 Rs. 10,000 in 2022 and Rs. 12,500 in 2023.Every year 10% of profit earned was transferred to general reserve. A return of 5% on the investments is considered to be fair in the industry.

Compute the value of company's share by:

a) Net Assets Method.

b) Yield Method (Ignore Tax)

c) Fair value Method

Q11) GBC limited invited application from the public for 2 laks equity shares of Rs. 10 each at a premium of Rs. 5 per share. The entire issue was underwritten by the under writers A,B,C & D equally with the provision of firm underwriting of 1250, 2000, 5000 and 1750 shares respectively. The underwriters were entitled to a commission of 2.5% on issue price of shares. The company received applications for 1,60,000 shares excluding firm underwriting, out of which marked applications were 20,000, 30,000, 60,000 and 10,000 shares respectively. Prepare a statement showing the net liability of each underwriter treating:

a) Firm underwriting as unmarked applications and

b) Firm underwriting as marked applications.

PART - C

Answer any two questions. Each question carries 15 marks : **[2 × 15 = 30]**

Q12) Explain the general instructions to be followed for preparing the balance sheet and statement of profit and loss of a company as per company act 2013.

Q13) Explain the factors affecting the Valuation of Goodwill and the valuation of shares.

Q14) Nirbhav Company Ltd. went into voluntary liquidation on 31st march 2023 and its position is as follows:

Equity :

5,000 equity share of Rs. 100 each 60 paid up Rs. 3,00,000.

3,000 5% preference shares of Rs. 100 each fully paid Rs. 3,00,000

Liabilites :

Secured loan against Building	Rs. 45000
Tax payable	Rs. 28,000
Other preferential creditors	Rs. 12,000
Unsecured creditors	Rs. 68,000
Bills Payable	Rs. 22,000

Assets realized :

Buildings	Rs. 1,20,000
Other assets	Rs. 3,80,000
The liquidation expenses amounting to	Rs. 2,500
The legal expenses amounting to	Rs. 1,500.

The liquidator is entitled to remuneration of

a) Fixed remuneration Rs. 20,000

b) 6% on the amount paid to preference shareholders(both capital and dividend)

c) 4% on the total amount of assets realized.

Dividend on preference shares were in arrears for 2 years.

Prepare the liquidator's final statement of accounts.

Q15) The Trading and Profit and Loss Account of G.E. Radio and Gramophone Equipment Co. for the six ended months ended 31.03.2023 is presented to you in the following form :

Trading and profit and Loss Account

Particulars	Amount (₹)	Particulars	Amount (₹)
Purchases		Sales	
Radio (A)	1,40,700	Radio (A)	1,50,000
Gramophones (B)	90,600	Gramophones (B)	1,00,000
Spare parts (C)	64,000	Spare parts (C)	25,000
Salaries & wages	48,000	Stock on 31-3-22	
Rent	10,800	Radio (A)	60,100
Sundry Expenses	11,000	Gramophones (B)	20,300
Profit	34,300	Spare parts (C)	44,600
	4,00,000		4,00,000

Prepare Departmental Accounts for each of the three Departments A, B and C stated above after taking in the following :

a) Salaries and wages are allocated to the department A,B,& C in the ratio of 1:3:1.

b) Rent is to be divided equally among three departments.

c) Sundry expenses are to be allocated on the basis of turnover of each department.

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