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MASTER OF COMMERCE (M.COM.)
EXAMINATION : MAY - 2016
SECOND SEMESTER
Sub: Company Accounting (MCA - 211/MCA - 205)

Date: 23/5/2016

Total Marks :60

Time:10.00 am to 12.30 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 The Balance Sheet of Blue Ltd. and Green Ltd. on 31st March, 2014 are given below:

	BlueLtd. Amount	GreenLtd. Amount
I.EQUITIES AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital		
Authorised, Issued subscribed and paid up capital Equity shares of Rs.100 each, fully called up and paid up	6,00,000	2,00,000
(b) Reserve and surplus		
General Reserve	60,000	25,000
Profit and Loss A/c	80,000	15,000
2 Current Liabilities		
Creditors	75,000	48,000
TOTAL	8,15,000	2,88,000
II ASSETS		
(a) Fixed Assets		
Plant and Machinery	6,55,000	2,88,000
(b) Long term Investment		
1,600, Shares in Green Ltd. (at cost)	1,60,000	-
TOTAL	8,15,000	2,88,000

Blue Ltd. acquired shares in Green Ltd. on 31st March, 2014. Prepare the Consolidated balance sheet of Blue Ltd. and Green Ltd. as on that date.

- 2 M/s Large and Co. Ltd. was incorporated on 1st March, 2014 and received its certificate of commencement of business on 1st April, 2014. The company bought the business of M/s. Small and Co. with effect from 1st November, 2013. From the following figures relating to the year ending October, 2014, find out the profit available for dividends:
- (i) Sales for the year were Rs.6,00,000 out of which sales upto 1st March were Rs. 2,50,000.

(ii) Gross profit for the year was Rs.1,80,000.

(iii) Expenses debited to the Profit and Loss account were:

Rent	9,000
Salaries	15,000
Directors' fees	4,800
Interest on debentures	5,000
Audit fees	1,500
Discount on sales	3,600
Depreciation	24,000
General expenses	4,800
Advertising	18,000
Stationery and printing	3,600
Commission on sales	6,000
Bad debts	1,500
Interest to vendor on purchase consideration upto May 1, 2014	3,000

*Rs.500 relates to debts created prior to incorporation.

- 3 Prepare the format (Performa) for Balance sheet as per Schedule VI of companies Act.
- 4 From the following particulars of TVM 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 Rs.86,84,100

Depreciation provided in the books Rs.32,00,000

Repairs for machinery provided for during the year Rs.2,50,000

Actual expenditure incurred on repairs during the year Rs.1,50,000

Q.2 Answer the following. (Attempt any one) (08)

- 1 Explain, any four, the circumstances when valuation of shares become necessary?
- 2 Explain the concept of Environmental Accounting? What is the scope of Environmental accounting?
- 3 Yield basis for determining the value of shares

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

- 1 Human Resource Accounting
- 2 IFRS - 2
- 3 Intangible Assets
- 4 Underwriting commission

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

1. 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 _____ to the Companies Act, 1956.

- a) Section VI
- c) Clause VI

- b) Schedule VI
- d) Provision VI

2. Two types of Amalgamation
- a) Merger
b) Purchase
c) Both (a) and (b)
d) None of these
3. Profit prior to incorporation is of Capital Nature
- a) True
b) False
c) Never
d) None of these
4. _____ 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
5. HRA stands for
- a) Human Research Association
b) Human Resource Accounting
c) Human resource Association
d) Human Research Accounting
6. _____ 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
7. A _____ fund is a reserve which is represented by investments outside the business
- a) Reserve
b) Provision
c) Sinking
d) Capital
8. Inventories shall be classified as
- a) Raw material
b) Work-in-progress
c) Finished goods
d) All of the Above
9. Intangible assets are
- a) Building
b) Machine
c) Stock
d) Patents
2. IFRS stands for -
- a. Institute of Financial Reposting system
b. International Financial Resources system
c. Indian Financial Reposting system
d. International financial reporting system
11. _____ who undertake to take up the whole or a portion of such of the offered shares or debentures as may not be subscribed for by the public.
- a. Underwriters
b. Overwriters
c. No writers
d. None of these
12. Environmental Accounting is Compulsory is India
- a. True
b. False
c. May be
d. May not be
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