PG Odd Semester (CBCS) Exam., December—2018

COMMERCE

(1st Semester)

Course No. : COMCC–103

(Corporate Financial Accounting)

Full Marks : 70
Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. Discuss the nature and scope of Corporate Financial Accounting. 7+7=14

2. Write short notes on the following : 7+7=14

(a) GAAPs

(b) Accounting Standards

UNIT—II

3. Discuss the nature and significance of financial statement analysis. 7+7=14

4. *(a)* Write the uses of cash flow statement. 7

(b) From the summary of Star Ltd., prepare a Cash Flow Statement for the year ended 31st March, 2018. The company does not have any cash equivalents : 7

Cash A/c
for the year ended 31.03.2018

	₹		₹
Balance on 01.04.2017	10,000	Payment to Suppliers	4,00,000
Issue of Equity Shares	60,000	Purchases of Fixed Assets	40,000
Receipts from Customers	5,60,000	Overhead Expenses	40,000
Sale of Fixed Assets	20,000	Wages and Salaries	20,000
		Taxation	50,000
		Dividend	10,000
		Repayment of Bank Loan	60,000
		Balance on 31.03.2018	30,000
	6,50,000		6,50,000

UNIT—III

5. Explain the circumstances under which valuation of goodwill is essential. Discuss any two methods of valuation of goodwill. 5+5+4=14

6. *(a)* Discuss the provisions of Companies Act, 2013 in regard to redemption of Preference Shares. 8

(b) Write a note on 'Sinking Fund'. 6

UNIT—IV

7. What is meant by internal reconstruction? Discuss the circumstances and procedure of internal reconstruction of a company. 4+10=14

8. What is purchase consideration? Discuss the various methods of calculating purchase consideration. 4+10=14

UNIT—V

9. *H* Ltd. acquired 8000 shares of *S* Ltd. on 30.06.2017. Their Balance Sheets as at 31.12.2017 were as follows :

Liabilities	*H Ltd.* ₹	*S Ltd.* ₹	*Assets*	*H Ltd.* ₹	*S Ltd.* ₹
20000 Equity Shares of ₹ 10 each fully paid	2,00,000	—	Fixed Assets	1,30,000	1,00,000
10000 Equity Shares of ₹ 10 each fully paid	—	1,00,000	Investments : 8000 Equity Shares of *S* Ltd. at ₹ 12	96,000	—
General Reserve	50,000	30,000	Current Assets	94,000	60,000
Profit & Loss A/c	20,000	10,000	Bills Receivable	—	16,000
Creditors	40,000	20,000			
Pension Fund	10,000	16,000			
	3,20,000	1,76,000		3,20,000	1,76,000

Additional Information :

(i) On 01.01.2017, the Profit & Loss A/c and General Reserve of *S* Ltd. showed credit balance of ₹ 8,000 and ₹ 20,400 respectively

(ii) Creditors of *S* Ltd. include ₹ 2,000 due to *H* Ltd.

(iii) Bills Receivable of *S* Ltd. are all payable by *H* Ltd.

Prepare Consolidated Balance Sheet on the basis of above information. 14

10. Write short notes on any *two* of the following : 7×2=14

(a) Significance of Consolidated Financial Statement

(b) Legal requirement on consolidation

(c) Minority interest

★ ★ ★