

5(C)

UG-III/Comm-V(H)/20

2020
COMMERCE
(Corporate Accounting & Reporting)
[HONOURS]
Paper : V

Full Marks : 100

Time : 4 Hours

The figures in the right-hand margin indicate marks.

Candidates are required to give their answers in their own words as far as practicable.

MODULE - I

(Marks : 50)

বিভাগ - ক (নম্বর : ৫০)

1. Answer any **five** questions: 1×5=5

যে-কোনো পাঁচটি প্রশ্নের উত্তর দাও :

i) What do you mean by financial statement?

আর্থিক বিবরণী বলতে কি বোঝ?

ii) What do you mean by Cum-interest price?

সুদসহ দর বলতে কি বোঝ?

iii) What is Right Issue?

রাইট ইস্যু কি?

[Turn over]

iv) Write two components of financial statements.

আর্থিক বিবরণীর দুটি উপাদান লেখ।

v) What do you mean by 'divisible profit'?

'বণ্টনযোগ্য মুনাফা' বলতে কি বোঝ?

vi) What preferences (any two) are attached to a preferred share?

অগ্রাধিকার শেয়ারসমূহের অগ্রাধিকারগুলি (যে কোন দুটি) কি কি?

vii) What do you mean by issued capital?

Issued Capital বলতে কি বোঝ?

viii) What is 'Bonus Share'?

বোনাস শেয়ার কি?

2. Answer any **five** questions: 6×5=30

যে-কোনো পাঁচটি প্রশ্নের উত্তর দাও :

i) On 1st April, 2018, Rainbow Ltd. issued 10,000, 12% Debentures of Rs.100 each at par. Rainbow Ltd. transferred Rs.25,000 to Debenture Redemption Reserve Account to comply with provision of the Act. Interest is payable on 31st March every year. The accounting year closes on 31st March. (Ignore TDS).

You are required to pass necessary journal entries for the first year.

ইংরাজী প্রশ্ন দেখ।

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- ii) The following is the abstract of Bee Ltd. as on 31.03.2019:

	Rs.
Issued and paid-up Capital	
20,000 Equity Shares of Rs.10 each fully paid-up	2,00,000
Reserve and Surplus:	
Securities Premium	30,000
General Reserve	1,00,000
Profit & Loss Account	80,000

At the annual general meeting of the company, the following resolutions were passed:

- a) To issue 2 bonus shares for every 5 shares held as on date; and
- b) To give existing shareholders the options to purchase 3 Rs.10 Right shares at Rs.14 per share for every 5 shares held before the issue of bonus share.

All the shareholders took up the option of Right shares and Bonus shares were duly allotted.

Show appropriate journal entries to record the above transactions in the books of Bee Ltd.

ইংরাজী প্রশ্ন দেখ।

- iii) What do you mean by, true and fair view of financial statements? State the importance of such statements. 2+4=6

আর্থিক বিবরণীর সত্য ও সঠিক রূপ বলতে কি বোঝ? এই ধরনের বিবরণীর গুরুত্ব আলোচনা কর।

- iv) What is an Investment Account? Write its Utilities.

- v) Soft India Ltd. granted 20,000 options at Rs.50 each to its employees under Employee Stock Option Scheme. The face value of each option was Rs.10 and its market price at that time was Rs.110. The vesting period was two years. All the employees exercised their options fully.

Show the Journal Entries.

ইংরাজী প্রশ্ন দেখ।

- vi) Modest Ltd. decided to buy-back 40,000 of its Equity Shares of Rs.10 each at a premium of 20%. For this, it issues 3,000, 6% Preference Shares of Rs.100 each at par. The company has Rs.70,000 in General Reserve, Rs.80,000 in Profit & Loss A/c (Cr.), Rs.50,000 in Capital Reserve, Rs.35,000 in Export Profit Reserve and Rs.65,000 in Securities Premium Account. It

decides to utilise profits and reserves also.

Give the Journal Entries assuming that the transactions have been duly carried out.

ইংরাজী প্রশ্ন দেখ।

- vii) State the sources of bonus issue. Write the logic behind the creation of Capital Redemption Reserve. $3+3=6$

বোনাস শেয়ার ইস্যুর উৎসগুলি লেখ। Capital Redemption Reserve তৈরীর পশ্চাতে যুক্তি লেখ।

- viii) Write two features of Limited Liability Partnership. Draw a comparison between traditional partnership and Limited Liability Partnership. $2+4=6$

সীমিত দায়বদ্ধ অংশীদারী কারবারের দুটি বৈশিষ্ট্য লেখ।
চিরাচরিত অংশীদারী কারবারের সাথে সীমিত দায়বদ্ধ অংশীদারী কারবারের একটি তুলনামূলক আলোচনা কর।

3. Answer any **one** question: $15 \times 1 = 15$

যে-কোনো একটি প্রশ্নের উত্তর দাও :

- i) Big Boss Ltd. was registered with an authorised capital of 1,00,000 equity shares of Rs.10 each.

The following is the Trial Balance as on 31st March, 2019:

Particulars	Dr. (Rs.)	Cr.(Rs.)
Share Capital: 60,000 Equity Shares of Rs.10 each	–	6,00,000
Long-term borrowings from Bank @12% interest p.a	–	40,000
Trade Creditors	–	16,000
Buildings	2,50,000	–
Plant & Machinery	1,50,000	–
Furniture & Fittings	45,000	–
Non-Current Investments	40,000	–
Income from Investments	–	4,000
Sale of Products	–	9,60,000
Sales Return	80,000	–
Opening Stock on 1st April, 2018	40,000	–
Purchase of goods	6,64,000	–
Purchase Returns	–	84,000
Discounting Charges	1,250	–
Carriage on Goods Purchase	27,800	–
Rent & Taxes	12,000	–
Trade Debtors	2,40,000	–
Interest on Bank Loan	4,000	–
Advertisement Expenses	24,000	–
Bad Debts	2,000	–
Employees Salaries	80,150	–
Audit Fees	5,400	–
Contribution to PF & Gratuity Fund	12,000	–
Cash at Bank & Hand	26,400	–
Total	17,04,000	17,04,000

Additional Information:

- a) Closing Stock as on March 31, 2019 was Rs.42,500.
- b) Depreciation to be provided as follows:
Furniture & Fittings - 10%; Plant & Machinery - 20%; Building - 10%
- c) Salaries outstanding as on March 31, 2019 were Rs.12,450.
- d) Create a provision for doubtful debts at 5% on Trade Debtors.
- e) Trade debtors include an amount of Rs.5,000 due from Mr. Arora and Trade Creditors include Rs.3,000 due to Mr. Arora.
- f) Provide for Income tax (current) Rs.16,000.

You are required to:

- A) Prepare a Statement of Profit & Loss for the year ended on 31st March, 2019
- B) Prepare a Balance Sheet for the same period as per Schedule III, of the Companies Act, 2013.

ইংরাজী প্রশ্ন দেখ।

- ii) Green Tea Ltd. issued 5000 equity shares of Rs.10 each at a premium of Rs.2 per share payable as
On application - Rs. 3 per share
On Allotment — Rs.5 per share (including premium)
On first call - Rs.2 per share and on final call - Rs. 2 per share

Applications for 8,000 shares were received and allotment was made pro-rata to applications of 7,500 shares, the application money for remaining shares being refunded.

Akash, to whom 120 shares were allotted, failed to pay the allotment money and first call money. His shares were forfeited after the first call. Prakash who applied for 300 shares, failed to pay the two calls and his shares were forfeited after the final call. Of these, 240 shares were reissued as fully paid for Rs.9 per share (which including all the shares issued to Akash).

Show the Cash Book, the Journal Entries and the relevant portion of Balance Sheet as per Schedule III of the Companies Act, 2013.

ইংরাজী প্রশ্ন দেখ।

iii) The Balance Sheet of Moon Ltd. as on 31st March, 2019 was as follows:

Particulars	Amount (Rs.)
(1)	(2)
I. EQUITY AND LIABILITIES	
(1) Shareholder's Fund:	
(a) Share Capital	6,00,000
(b) Reserve and Surplus — Balance in Statement of Profit & Loss	90,000
(2) Current Liabilities:	
(a) Trade Payable	1,10,000
TOTAL	8,00,000
II. ASSETS	
(1) Non-current Assets	
(a) Property, Plant & Equipment/Tangible Assets	6,00,000
(b) Non-current Investments	30,000
(2) Current Assets:	
(a) Other current Assets	1,00,000
(b) Cash & Cash equivalents at Bank	70,000
TOTAL	8,00,000

Notes to Accounts:

(1)

Particulars	Amount (Rs.)
Subscribed and Fully Paid-up:	
1,300 Preference Shares of Rs.100 each	1,30,000
47,000 Equity Shares of Rs.10 each	4,70,000
	6,00,000

It was decided to redeem the Preference Shares at a premium of 10% on 31/03/2019. It was also decided:

- (1) To sell the investment for Rs.24,000
- (2) To finance part of redemption from company funds, subject to leaving a bank balance of Rs.26,000.
- (3) To issue minimum number of equity shares of Rs. 10 each at a premium of 10% to raise the balance of funds required.

Pass necessary Journal Entries.

ইংরাজী প্রশ্ন দেখ।

MODULE - II

(Marks : 50)

বিভাগ - খ (নম্বর : ৫০)

4. Answer any **five** questions: $1 \times 5 = 5$

যে-কোনো পাঁচটি প্রশ্নের উত্তর দাও :

- i) What do you understand by amalgamation?
সংযুক্তিকরণ বলতে কি বোঝ?
- ii) What do you understand by 'Minority Interest'?
সংখ্যালঘু স্বার্থ বলতে কি বোঝ?
- iii) What is 'Super Profit'?
সুপার মুনাফা বা অতিমুনাফা কি?
- iv) Name the two methods for the valuation of shares.
শেয়ার মূল্যায়নের দুটি পদ্ধতির নাম লেখ।
- v) Write two objectives of Cash Flow Statement.
নগদান বিবরণীর দুটি উদ্দেশ্য লেখ।
- vi) Write two importance of Ratio Analysis.
অনুপাত বিশ্লেষণের দুটি গুরুত্ব লেখ।
- vii) Write two utilities of Fund Flow Statement.
তহবিল প্রবাহ বিবরণীর দুটি উপযোগিতা লেখ।
- viii) What do you understand by Common Size Statement?
সাধারণ রূপ বিবরণী বলতে কি বোঝ?

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[Turn over]

5. Answer any **five** questions: $6 \times 5 = 30$

যে-কোনো পাঁচটি প্রশ্নের উত্তর দাও :

- i) From the following information, calculate the value of goodwill as on 31 .03.2019:

	Rs.
Equity Share Capital	4,00,000
10% Preference Share Capital	1,00,000
Reserve and Surplus	90,000
9% Debentures	1,00,000
P/L A/c	60,000
Creditors	70,000

Market Value of assets is Rs.90,000 more than the book value and non-trade investment included in assets Rs.1,30,000. Profit for last three years after 40% tax were: 2016-17 - Rs.84,000; 2017-18 - Rs.1,08,000; and 2018 - 19 - Rs.1,05,000 respectively.

Non-trading income of Rs.14,400 (before tax) is included in the amount of profit for the year 2017-18 only. Fair return on capital employed is estimated at 12% p.a. Goodwill is to be valued on the basis of 4 years' purchase of Super Profit. (Take simple average profit).

ইংরাজী প্রশ্ন দেখ।

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ii) The following particulars are available in relation to First Mart Ltd.:

- a) Equity share capital: 1,000 Equity shares of Rs. 20 each.
- b) Preference Share Capital: 1,000, 8% Preference Shares of Rs. 100 each
- c) Reserve : Rs.30,000
- d) Current Liabilities : Rs.18,000
- e) Loss on Revaluation of Fixed Assets : Rs.12,000

Calculate Intrinsic Value per Equity Share.

ইংরাজী প্রশ্ন দেখ।

iii) SS Ltd. was incorporated on 01.08.2018. It took over the business of M/s RR Ltd. with effect from 01.04.2018. Ascertain the profit prior to incorporation and the profit after incorporation from the following figures of SS Ltd. related to the year ending 31.03.2019.

- a) Sales for the year were Rs.60,00,000 which included sales up to 01.08.2018 Rs.25,00,000.
- b) Gross profit for the year was Rs.18,00,000.

c) The expenses debited to Profit & Loss Account were as follows:

Rent	84,000
Salaries	1,50,000
Directors' fees	38,000
Interest on debentures	30,000
Audit fees	15,000
Discount allowed	36,000
Depreciation	2,40,000
General Expenses	48,000
Printing & Stationery	36,000
Advertising	1,80,000
Salesman's commission	60,000
Interest to vendors on purchase consideration (upto 01.10.2018)	30,000
Bad Debts (including Rs. 6,000 upto 01.08.2018)	16,000

ইংরাজী প্রশ্ন দেখ।

iv) From the following information prepare a Balance Sheet (as per Schedule III, of the Companies Act, 2013) as on 31.03.2019:

Current Ratio	2:1
Liquidity Ratio	1.25:1
Fixed Assets to Proprietorship Ratio	0.75:1
Preference share capital to Equity share capital Ratio	5:1
Working Capital	: Rs.8,000
Reserves and Surplus	: Rs. 2,000
Bank Loan (not payable immediately)	: Rs.2,000
Long-term loan	: Nil

ইংরাজী প্রশ্ন দেখ।

v) From the following Balance Sheet of Associate Ltd. as at 31.03.2018 and 31.03.2019 prepare a Statement of Changes in Working Capital during the year ended 31.03.2019

Particulars	Note No	Amount	
		(Rs.) 31.03.2018	(Rs.) 31.03.2019
(1)	(2)		
I. EQUITY AND LIABILITIES			
(1) Shareholder' Fund:			
(a) Share Capital		10,00,000	12,00,000
(b) Reserve and Surplus		6,00,000	7,50,000
(2) Share Application Money Pending Allotment:		-	-
(3) Non-current Liabilities:			
(a) Long-term Borrowings – 10% Debentures		5,00,000	5,00,000
(4) Current Liabilities:			
(a) Short term borrowings		-	-
(b) Trade payables - Trade Creditors		9,00,000	10,50,000
(c) Other current liabilities		-	-
(d) Short term provisions - Proposed Dividend		1,00,000	1,50,000
TOTAL		31,00,000	36,50,000
II. ASSETS			
(1) Non-current Assets:			
(a) Fixed Assets			
(i) Tangible assets - Plants & Machinery (Net)		18,00,000	20,50,000
(b) Non-current Investments		2,00,000	2,50,000
(2) Current Assets:			
(a) Current Investment		-	-
(b) Inventories		5,00,000	7,00,000
(c) Trade Receivables - Trade Debtors		5,85,000	6,40,000
(d) Cash and Cash Equivalentents		15,000	10,000
TOTAL		31,00,000	36,50,000

During the year ended 31.03.2019 depreciation charged on Plant and Machinery amounted to Rs.2,00,000. The final dividend for the year 31.03.2018 amounting to Rs.1,00,000 was paid on 30.06.2018.

ইংরাজী প্রশ্ন দেখ।

- vi) Why do companies prepare a Funds Flow Statement in addition to Balance Sheet and Income Statement? Write two advantages of Common Size Statement. $4+2=6$

কোম্পানী কি কারণে উদ্বর্তপত্র ও আয় বিবরণীর বাইরে অতিরিক্তভাবে তহবিল প্রবাহ বিবরণী প্রস্তুত করে? সাধারণরূপ বিবরণীর দুটি সুবিধা লেখ।

- vii) How purchase consideration is calculated according to AS 14?

AS 14 অনুসারে কিভাবে purchase consideration গণনা করা হয়, তার উপর একটি টীকা লেখ।

- viii) Distinguish between Internal Reconstruction and External Reconstruction.

6. Answer any **one** question: $15 \times 1 = 15$

যে-কোনো একটি প্রশ্নের উত্তর দাও :

- i) The summarised Balance Sheet of Soft Ltd. and Techno Ltd. as at 1st April, 2019 are as under:

Balance Sheet of Soft Ltd. and Techno Ltd. as at 1st April, 2019

Particulars	Note No	Soft Ltd. (Rs.)	Techno Ltd. (Rs.)
(1)	(2)	(3)	(4)
I. EQUITY AND LIABILITIES			
(1) Shareholder' Fund:			
(a) Share Capital — Equity share of Rs.10 each fully paid		3,00,000	5,00,000
(b) Reserve and Surplus:			
General Reserve		1,80,000	1,80,000
Profit & Loss Account		1,90,000	1,00,000
(2) Share Application Money Pending Allotment		-	-
(3) Non-current Liabilities:		-	-
(4) Current Liabilities:			
(a) Trade payables - Trade Creditors		30,000	20,000
TOTAL		7,00,000	8,00,000
II. ASSETS			
(1) Non-current Assets:			
(a) Fixed Assets			
(i) Tangible assets: Land & Buildings		5,00,000	4,50,000
(2) Current Assets:			
(a) Inventories - Stock		1,00,000	1,30,000
(b) Trade Receivables — Trade Debtors		50,000	1,50,000
(c) Cash and Cash Equivalent		50,000	70,000
TOTAL		7,00,000	8,00,000

A new company Soft-Techno Ltd. is formed to take over all the assets and liabilities of Soft Ltd. and Techno Ltd., under the following terms and conditions:

- a) For every 2 shares of Soft Ltd., 3 shares of Rs.10 each of Soft-Techno Ltd. will be issued.
- b) For every 5 shares of Techno Ltd., 6 shares of Rs.10 each of Soft-Techno Ltd. will be issued.
- c) There are fractions equalling 50 shares of Soft Ltd. and 100 shares of Techno Ltd. - for which cash has to be paid.

You are required to:

1. Purchase Consideration.
2. Pass Journal Entries in the books of Soft-Techno Ltd.
3. Prepare the Balance Sheet of Soft-Techno Ltd., after amalgamation.

ইংরাজী প্রশ্ন দেখ।

- ii) The following are the Balance Sheets of Hero Ltd. and its subsidiary Honda Ltd. as at 31st March, 2019:

Balance Sheet of Hero Ltd. and Honda Ltd. as at 31/03/2019

Particulars	Note No	Hero Ltd. (Rs.)	Honda Ltd. (Rs.)
(1)	(2)	(3)	(4)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Fund:			
(c) Share Capital — Equity share of Rs.10 each fully paid		6,00,000	2,00,000
(d) Reserve and Surplus:			
General Reserve		3,40,000	80,000
Profit & Loss Account		1,00,000	60,000
(2) Share Application Money Pending Allotment:		-	-
(5) Non-current Liabilities:		-	-
(6) Current Liabilities:			
(b) Trade payables - Trade Creditors		70,000	35,000
TOTAL		11,10,000	3,75,000
II. ASSETS			
(3) Non-current Assets:			
(b) Fixed Assets			
(i) Tangible assets: Machinery		3,90,000	1,35,000
Furniture		80,000	40,000
(c) Non-current Investments:			
80% Equity shares in Honda Ltd.		3,40,000	-
(4) Current Assets:			
(d) Inventories - Stock		1,80,000	1,20,000
(e) Trade Receivables - Trade Debtors		50,000	30,000
(f) Cash and Cash Equivalents - Cash at Bank		70,000	50,000
TOTAL		11,10,000	3,75,000

Additional Information:

- a) Profit and Loss Account of Honda Ltd. stood at Rs.30,000 on 01/04/2018, whereas General Reserve has remained unchanged since that date.
- b) Hero Ltd. acquired 80% shares in Honda Ltd. on 01/10/2018 for Rs.3,40,000 as mentioned above.
- c) Included in Debtors of Honda Ltd. is a sum of Rs.10,000 due from Hero Ltd. for goods sold at a profit of 25% on cost price. Till 31/03/2019, only one-half of the goods had been sold while the remaining goods were lying in the godown as on that date.

You are required to prepare Consolidated Balance Sheet as at 31st March, 2019. Show all calculations clearly.

ইংরাজী প্রশ্ন দেখ।

- iii) From the following details relating to the accounts of JUMBO Ltd. prepare Cash Flow Statement as per AS-3:

Particulars	Note	Amount	Amount
	No	(Rs.)	(Rs.)
		31.03.2018	31.03.2019
(1)	(2)		
I. EQUITY AND LIABILITIES			
(1) Shareholder's Fund:			
(a) Share Capital	(1)	10,00,000	8,00,000
(b) Reserve and Surplus	(2)	3,00,000	2,10,000
(2) Share Application Money Pending Allotment:		-	-
(3) Non-current Liabilities:			
(a) Long-term Borrowings - 10% Debentures		2,00,000	-
(4) Current Liabilities:			
(a) Short term borrowings		-	-
(b) Trade payables - Trade Creditors		7,00,000	8,20,000
(c) Other current liabilities - Outstanding Expenses		-	-
(d) Short term provisions	(3)	3,00,000	1,70,000
TOTAL		25,00,000	20,00,000
II. ASSETS			
(5) Non-current Assets:			
(a) Fixed Assets			
(i) Tangible assets	(4)	13,00,000	9,00,000
(b) Non-current Investments		1,00,000	-
(6) Current Assets:			
(a) Current Investment		-	-
(b) Inventories		4,00,000	2,00,000
(c) Trade Receivables - Trade Debtors		5,00,000	7,00,000
(d) Cash and Cash Equivalents		2,00,000	2,00,000
TOTAL		25,00,000	20,00,000

Notes to Accounts:

Particulars	Amount	Amount
	(Rs.)	(Rs.)
	31.03.2018	31.03.2019
(1) Share Capital		
Issued, Subscribed and Paid-up Capital: Equity Shares of Rs. 10 each fully paid	10,00,000	8,00,000
(2) Reserve and Surplus		
General Reserve	2,00,000	1,50,000
Profit and Loss	1,00,000	60,000
	3,00,000	2,10,000
(3) Short-term Provisions		
Provision for Taxation	1,00,000	70,000
Proposed Dividend	2,00,000	1,00,000
	3,00,000	1,70,000
(4) Tangible Assets		
Plant and Machinery	7,00,000	5,00,000
Land and Building	6,00,000	4,00,000
	13,00,000	9,00,000

Additional Information:

- Depreciation @25% was charged on the opening value of plant and machinery.
- During the year one old machine costing Rs.50,000 (WDV Rs. 20,000) was sold for Rs.35,000.
- Rs.50,000 was paid towards income tax during the year.
- No depreciation is charged on Building.

ইংরাজী প্রশ্ন দেখ।