

14005

M.Com. DEGREE EXAMINATION, OCTOBER/NOVEMBER 2015.

THIRD SEMESTER

Commerce

Paper V – CORPORATE FINANCIAL ACCOUNTING

Time : Three hours

Maximum : 75 marks

(No additional sheet will be supplied)

PART A — (5 × 3 = 15 marks)

Answer any FIVE questions.

Each question carries 3 marks.

Each answer should not exceed 1 page.

1. Business entity concept
2. Conventions of materialism
3. Current purchase power
4. Inflation Vs deflation
5. Government accounting
6. Objectives of commercial accounting
7. Minority interest
8. Revenue profit

PART B — (4 × 15 = 60 marks)

Answer ALL questions.

Each question carries 15 marks.

Each answer should not exceed 6 pages.

9. Narrate the Generally Accepted Accounting Principles (GAAP).

Or

10. Explain the objectives and functions of Indian accounting standards.

11. Balance sheet of S Ltd. as on 31st March 2010 (Liabilities only)

	Rs.
Share capital 40,000 Equity shares of Rs. 10/- each	4,00,000
Reserve and surpluses	2,50,000
Secured loan	2,50,000
Other liabilities	1,00,000
	<u>10,00,000</u>

On the above date H Ltd. acquired 30,000 Equity shares in S Ltd. on the above date for Rs. 7,50,000 fixed assets of S Ltd. were appreciated by Rs. 1,50,000. Find out cost of control / Goodwill.

Or

12. Differentiate between the current purchase power and current cost accounting.

13. What are suggested methods for valuation of human resources? Explain.

14. Elucidate the social accounting and reporting practices in Indian context.

15. Balance sheets as on 31st March, 2010.

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share capital:			Fixed Assets	3,00,000	1,00,000
Equity Shares of Rs. 10 each fully paid	5,00,000	2,00,000	60% shares in S Ltd. at cost	1,62,400	-
General Reserve	1,00,000	50,000	Current Assets	-	6,000
Profit and loss Account	60,000	35,000	Preliminary Expenses		
Creditor	80,000	60,000			
	<u>7,40,000</u>	<u>3,45,000</u>		<u>7,40,000</u>	<u>3,45,000</u>

H Ltd. acquired the share on 1st April 2009 on which date General Reserve and profit and loss Account of S Ltd. showed balances of Rs. 40,000 and Rs. 8,000 respectively. No part of preliminary expenses was written off during the year ending 31st March, 2010. Prepare the consolidated balance sheet of N Ltd. and its subsidiary S Ltd. as on 31st March 2010.

Or

16. The following is the Balance sheet of S Ltd. as on 31st March, 2010.

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed Assets	2,90,000
Equity shares of Rs. 10 each	2,70,000	Investment	2,75,000
General Reserve Profit & Loss A/c	3,60,000	Current Assets	1,30,000
	85,000	Preliminary Expenses	20,000
Current liabilities	<u>7,15,000</u>		<u>7,15,000</u>

H Ltd. acquired 25,000 shares in S Ltd. on 31st March, 2010 at a cost of Rs. 2,75,000. Fixed assets were revalued at Rs. 3,28,000. Find minority interest.