

14005(OR)

M.Com. DEGREE EXAMINATION, OCTOBER/NOVEMBER 2015
FIRST SEMESTER
Commerce

Paper V – Corporate Financial Accounting

Time: Three hours

Max. Marks: 75

(No additional sheet will be supplied)

PART A- (5 x 3 =15 marks)
Answer any FIVE questions.
Each answer carries 3 marks.
Each answer should not exceed 1 page

1. Objectives of financial statement analysis
2. Conventions of accounting
3. Current cost accounting
4. Limitation of historical accounting
5. Valuation of equity shares
6. Impact of earning on shares valuation
7. Need for consolidate financial statements
8. Commercial accounting

PART B - (4 x 15 = 60 marks)
Answer ALL questions.
Each question carries 15 marks.
Each answer should not exceed 6 pages

9. Narrate the scope and functions of financial statement analysis.
- (Or)
10. Describe the types of accounting concepts.
11. Differentiate between the current cost accounting and current purchase power.

(Or)

12. From the following data, compute the net monetary gain or loss as per the CPP method.

Monetary Items	1-1-2014	31-12-2014
Cash	Rs. 5,000	Rs. 10,000
Debtors	20,000	25,000
Creditors	15,000	20,000
Public deposits	20,000	20,000
Consumer price index numbers are :		
On 1-1-2014		Rs. 100
On 31-12-2014		Rs. 150
Average for the year		Rs. 120

[P.T.O]

13. Enumerate the methods of valuation of shares.

(Or)

14. From the following information calculate the value of goodwill according to capitalization of Average Profit Method.

(i) Average Capital employed in the business Rs.7,00,000.

(ii) Net trading profit of the firm for the past three years.

Years	Profits (Rs.)
2011	1, 47,600
2012	1, 48,100
2013	1, 52,500

(iii) Rate of interest expected from Capital havinf regard to the risk involved – 18%

(iv) Sundry Assets (excluding goodwill) Rs.7,54,762

Sundry liabilities Rs.31,329

(v) fair remuneration to the patterns for the services Rs.12,000 p.a

15. What is government accounting? Explain the structure of government accounting.

(Or)

16. Balance Sheets as on 31st March, 2012.

	H Ltd.	S Ltd.		H Ltd.	S Ltd.
Capital (shares of Rs.100 each)	15,00,000	5,00,000	Land and buildings	5,34,000	1,35,000
Reserves	9,50,000	1,50,000	Plant and machinery	11,15,000	4,28,000
Sundry Creditors	4,38,000	3,83,000	Stocks	6,42,000	3,92,000
Provisions for taxation	3,53,000	2,11,000	Book debts	7,80,000	2,70,000
Profit and loss account	80,000	1,05,000	Prepaid expenses	32,000	6,000
			Cash at bank	2,18,000	1,18,000
	33,21,000	13,49,000		33,21,000	13,49,000

H Ltd. acquired the share on 1st April 2011 on which date General Reserve and profits and loss account of S Ltd. Showed balances of Rs.40, 000 and Rs.8, 000 respectively. Prepare the consolidated balance sheet of H Ltd. and its subsidiary S Ltd. as on 31st March 2012.