2 0 1 7

(2nd Semester)

ENGLISH—II

(Commerce)

Paper No. : Eng (BCM)–204

**(Drama, Short Stories, Commercial
Correspondence and Grammar)**

Full Marks : 70
Pass Marks : 45%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Fill in the blanks with suitable articles :

    ½×14=7

    (a) ____ rose is ____ lovely flower.

    (b) This is not ____ way ____ good
    neighbour behaves.

    (c) I bought ____ dozen of oranges.

(Turn Over)

5. Answer any *two* of the following questions :

7×2=14

(a) Draft a circular letter announcing the opening of a new business branch in a new city.

(b) Write a suitable quotation on behalf of M/s. Jose & Co., Bengaluru, stating different qualities and kinds of products.

(c) You have received an order which cannot be executed because there is no stock. Thank your purchaser for showing interest in the particular product. Try to draw his interest in substitute goods which you possess in your stock.

(d) M/s. Orient & Sons of Dimapur have neither settled the account nor given any reply to your reminders. Ask for the reason and try to know the troubles in payments through a letter. Also suggest to them to pay the sum in two installments.

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2 0 1 7

(2nd Semester)

COMMERCE

(Honours)

Paper No. : BCAF–02

(Advanced Financial Accounting)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. *(a)* Describe the salient features of the accounts of Holding Company. Indicate the main purpose of preparing a Consolidated Balance Sheet.   9+5=14

Or

(b) From the following Balance Sheets of *H* Ltd. and its subsidiary *S* Ltd., prepare a Consolidated Balance Sheet as on 31.12.2014 :   14

Liabilities	H Ltd. ₹	S Ltd. ₹	Assets	H Ltd. ₹	S Ltd. ₹
Share Capital (share of ₹ 10 each)	4,00,000	2,00,000	Goodwill	80,000	20,000
			Plant and Machinery	1,60,000	1,80,000

(*Turn Over*)

Liabilities	H Ltd. ₹	S Ltd. ₹	Assets	H Ltd. ₹	S Ltd. ₹
General Reserve	60,000	20,000	Investments (15000 shares in S Ltd.)	1,61,000	—
Profit & Loss A/c	80,000	60,000	Stock	70,000	81,000
Sundry Creditors	40,000	25,000	Debtors	59,000	25,000
Bills Payable	45,000	15,000	Bills Receivable	80,000	10,000
Outstanding Expenses	5,000	—	Cash at Bank	20,000	4,000
	6,30,000	3,20,000		6,30,000	3,20,000

Additional Information :

(i) H Ltd. purchased the shares in S Ltd. on 1st July, 2014

(ii) On 01.01.2014, S Ltd. had ₹ 10,000 in General Reserve and ₹ 30,000 in Profit & Loss a/c

(iii) Bills Payable of S Ltd. are all in favour of H Ltd.

(iv) Sundry Creditors of H Ltd. include ₹ 20,000 from S Ltd.

(v) Stock of S Ltd. includes ₹ 20,000 from H Ltd. which includes 25% profit on cost

2. (a) What is Amalgamation? What are its types? What are different methods for calculating purchase consideration?

2+2+10=14

Or

(b) A Ltd. and B Ltd. were amalgamated on 1st April, 2015. A new company AB Ltd. was formed to take over the business of existing companies. The Balance Sheets of A Ltd. and B Ltd. are given below :

Liabilities	A Ltd. ₹	B Ltd. ₹	Assets	A Ltd. ₹	B Ltd. ₹
Equity Shares Capital of ₹ 10 each	3,60,000	2,40,000	Land	2,00,000	3,00,000
			Building	80,000	20,000
			Investment	1,60,000	60,000
Capital Reserve	80,000	60,000	Stock	2,00,000	60,000
General Reserve	1,20,000	60,000	Debtors	1,60,000	20,000
			Bank	1,20,000	60,000
Profit & Loss A/c	40,000	20,000	Cash	40,000	—
Secured Loan	1,60,000	80,000			
Trade Creditors	1,20,000	40,000			
Tax Provision	80,000	20,000			
	9,60,000	5,20,000		9,60,000	5,20,000

Additional Information :

(i) Both the companies land value increased by 20% and building of A Ltd. decreased by 15% and B Ltd. by 10%

(ii) The investment value of B Ltd. increased to ₹ 75,000 and A Ltd. reduced by ₹ 10,000

(iii) Sundry debtors of A Ltd. provided. Provision for doubtful debts at 5% and B Ltd. ₹ 5,000 treated as bad

(iv) Both the companies stock value reduced by 5%

(Turn Over)

The new company issued shares to existing company at ₹ 15 per share for purchase consideration of both the companies.

Calculate the purchase consideration and numbers of shares of *A* Ltd. and *B* Ltd. Also prepare Balance Sheet of new company of *AB* Ltd. assuming that the amalgamations in the nature of purchase. 4+10=14

3. (a) Explain the interpretation of the ratio analysis. What are the limitations of ratio analysis? 6+8=14

Or

(b) The following information is given about *XY* Ltd. for the year ending 31st March, 2014 :

Stock turnover ratio—6 times

Gross profit ratio—20% on sales

Sales for the year—₹ 3,00,000

Closing stock is ₹ 10,000 more than opening stock

Opening creditors—₹ 20,000

Closing creditors—₹ 30,000

Trade debtors at the end—₹ 60,000

Net working capital—₹ 50,000

Indirect expenses—₹ 20,000

Find out—

   (i) average stock;

   (ii) purchases;

   (iii) creditors' turnover ratio;

   (iv) average payment period;

   (v) average collection period;

   (vi) working capital turnover ratio;

   (vii) net profit ratio.   2×7=14

4. (a) Explain the significance of Fund Flow Statement. What are the differences between fund flow statement and cash flow statement?   7+7=14

Or

   (b) The following details are available from a company :

Liabilities	31.12.14 ₹	31.12.15 ₹	Assets	31.12.14 ₹	31.12.15 ₹
Share Capital	70,000	74,000	Goodwill	10,000	5,000
Debenture	12,000	6,000	Land	20,000	30,000
Provision for			Stock	49,200	42,700
Doubtful			Debtors	14,900	17,700
Debts	700	800	Cash	9,000	7,800
Trade					
Creditors	10,360	11,840			
Profit &					
Loss A/c	10,040	10,560			
	1,03,100	1,03,200		1,03,100	1,03,200

In addition, you are given the following :

   (i) Dividend paid during the year ₹ 3,500

(*Turn Over*)

(ii) Land was purchased for ₹ 10,000

(iii) Amount provided for amortization of goodwill ₹ 5,000

(iv) Debentures paid off ₹ 6,000 at 10% redemption premium

Prepare Cash Flow Statement as per AS–3 (Revised).   14

5. *(a)* What is inflation accounting? Explain with reference to current cost accounting.   2+12=14

Or

(b) The Dimapur Co. Ltd. went into voluntary liquidation on 31st March, 2014. The Balance Sheet of the company as on that date is as follows :

Liabilities	Amount ₹	Assets	Amount ₹
Issued Capital :		Land and	
5000, 6% Cum.		Building	2,50,000
Preference Shares	5,00,000	Plant and	
2500 Equity Shares		Machinery	6,25,000
₹ 100 each		Patents	1,00,000
paid ₹ 75	1,87,500	Stock	1,37,500
7500 Equity Shares		Sundry Debtors	2,75,000
of ₹ 100 each		Cast at Bank	75,000
paid ₹ 60	4,50,000	Profit & Loss A/c	3,00,000

(Continued)

Liabilities	Amount ₹	Assets	Amount ₹
5% Mortgage Debentures	2,50,000		
Interest Outstanding	12,500		
Creditors	3,62,500		
	17,62,500		17,62,500

The liquidator is entitled to commission of 3% on all assets realized except cash at bank and 2% on amounts distributed among unsecured creditors other than preferential creditors. Creditors include preferential creditors ₹ 37,500 and a loan for ₹ 1,25,000 secured by a mortgage on land and buildings. The preferential dividends were in arrears for two years. The assets realized as follows :

	₹
Land and Building	3,00,000
Plant and Machinery	5,00,000
Patents	75,000
Stock	1,50,000
Sundry Debtors	2,00,000

The expenses of liquidation amounted to ₹ 27,250.

Prepare the Liquidator's Final Statement of Accounts. 14

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(2nd Semester)

COMMERCE

Paper No. : BC-202

(Business Economics)

Full Marks : 70   *Pass Marks* : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(*Marks* : 45)

The figures in the margin indicate full marks for the questions

1. *(a)* What is the relation between inflation and value of money? What are the effects of inflation on production and distribution?   2+7

                        Or

    (b) Briefly explain Baumol's sales maximization model.   9

2. (a) Explain various types of elasticity of demand with suitable diagrams.   9

Or

(b) Explain the importance of elasticity of demand and the factors that determine the elasticity of demand.   9

3. (a) What is the difference between level of production and scale of production? What are the causes of internal and external economies of scale?   2+7

Or

(b) Explain different cost curves of a firm with a schedule and diagram.   9

4. (a) What is price discrimination? What are different degrees of price discrimination?   3+6

Or

(b) What is price leadership? How do the firms under oligopoly determine price and output when there is price leader?   2+

L7/357a

5. *(a)* Briefly explain the modern theory of rent. 9

<p align="center">*Or*</p>

(b) What are the three motives of demand for money in Keynesian theory of interest? 9

<p align="center">★ ★ ★</p>

2 0 1 7

(2nd Semester)

COMMERCE

Paper No. : BC–202

(Business Economics)

(PART : A—OBJECTIVE)

(*Marks* : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer by putting a Tick (✓) mark in the brackets provided : 1×5=5

   (a) When the price of a product is ₹ 20 a buyer demands 200 units. What amount will be demanded by the buyer at price ₹ 25 if his demand is unit elastic?

      (i) 200   (   )

      (ii) 150   (   )

      (iii) 100   (   )

      (iv) 50   (   )

   (b) Planning curve refers to

      (i) AVC curve   (   )

      (ii) long-run AC curve   (   )

      (iii) AC curve   (   )

      (iv) MC curve   (   )

(**2**)

(c) Long-term equilibrium of a firm under perfectly competitive market situation shall have

    (i)   MC=MR   ( )

    (ii) MC cuts MR from below   ( )

    (iii) Both (i) and (ii)   ( )

    (iv) None of the above   ( )

(d) Shutdown point of a firm is a situation where

    (i)   AR = AC   ( )

    (ii) AR > AC   ( )

    (iii) AR = AVC   ( )

    (iv) AR > AVC   ( )

(e) Economic rent is a surplus return over

    (i)   retained earnings   ( )

    (ii) transfer earnings   ( )

    (iii) Both (i) and (ii)   ( )

    (iv) None of the above   ( )

2. Fill in the blanks :   1×5=5

(a) An explicit agreement between the oligopoly firms is called ....

(b) According to Keynes, interest is purely a .... phenomenon.

(c) When average cost is ₹ 25 and marginal cost is ₹ 30, average cost curve will be sloping ....

(d) An .... is defined as the locus of various combinations of factors which a firm can buy with a constant outlay.

(e) The short-run earnings of a machine is the short run. Cost of keeping it in running order is known as ....

(**4**)

3. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark against the appropriate option :   1×5=5

(a) Reflation is a type of controlled inflation.

(T / F)

(b) There is no difference between a firm and an industry in case of perfect competition.

(T / F)

(c) In case of increasing return to scale, the gap between the successive isoquants also increase.

(T / F)

(d) The point at which average revenue is equal to average cost the firm earns normal profit.

(T / F)

(e) Implicit cost is the cost of self-owned and self-employed resources.

(T / F)

4. Write short notes on the following :   2×5=10

   (a) Cross elasticity of demand

(b) Area of economic nonsense

(c) Quasi-rent

(d) Discriminating monopoly

(e) Wage flexibility

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2 0 1 7

(2nd Semester)

COMMERCE

Paper No. : BC-203

(Commercial Law)

Full Marks : 70   Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

The figures in the margin indicate full marks
for the questions

1. *(a)* Define contract. What are the essential elements of a valid contract?   2+7=9

Or

   (b) Explain the rights and duties of bailor.
                    4½+4½=9

2. *(a)* Explain the essentials of a contract of sale. Also distinguish between 'sale' and 'agreement to sell'.   4½+4½=9

(Turn Over)

Or

(b) What are the conditions and warranties in a contract of sale? When can the breach of condition be treated as a breach of warranty? 5+4=9

3. (a) Define partnership. Discuss the essential elements of partnership. 2+7=9

Or

(b) Discuss the modes of dissolution of partnership firms. 9

4. (a) "A cheque is a Bill of exchange." Elaborate. Briefly discuss the types of cheques. 5+4=9

Or

(b) Distinguish between Bill of exchange and Promissory note. 9

5. (a) Who is a consumer according to the Consumer Protection Act, 1986? What are the rights of a consumer? 4+5=9

Or

(b) Write a note on FEMA, 2000. 9

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2 0 1 7

(2nd Semester)

COMMERCE

Paper No. : BC–203

(Commercial Law)

(PART : A—OBJECTIVE)

(*Marks* : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer by putting a Tick (✓) mark in the brackets provided :   1×5=5

   (a) "A void agreement is one which is not enforceable by law" is given under the

   (i) Section 11   (   )

   (ii) Section 23   (   )

   (iii) Section 2 (g)   (   )

   (iv) Section 29   (   )

(b) Contract of sales of goods is defined under the

   (i) Section 4 of the Sales of Goods Act 1930 (   )

   (ii) Section 4 of the Sales of Goods Act 1932 (   )

   (iii) Section 4 of the Sales of Goods Act 1956 (   )

   (iv) Section 4 of the Sales of Goods Act 1986 (   )

(c) Which type of partner lends his name to the firm, without having any real interest in it?

   (i) Sleeping partner   (   )

   (ii) Nominal partner   (   )

   (iii) Minor partner   (   )

   (iv) Sub partner   (   )

(d) Which Section of Negotiable Instrument Act does not effect the provisions of RBI Act 1939?

   (i) Section 30 and 31   (   )

   (ii) Section 29 and 30   (   )

   (iii) Section 31 and 32   (   )

   (iv) Section 40 and 41   (   )

(e) The Consumer Act 1986 defines 'Consumer' under the Section

   (i) 3 (1)   (   )

   (ii) 2 (1) (d)   (   )

   (iii) 4   (   )

   (iv) 3 (d)   (   )

2. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark :   1×5=5

(a) Discharge of contract means termination of the contractual relationship between parties.

(T / F)

(b) When the goods are damaged or destroyed by the action of the third parties, the owner of goods can't take action against them.

(T / F)

(c) Right to have business wound-up is one of the right of the partners on dissolution.

(T / F)

(d) Promissory note, Bills of exchange and cheques, this instruments are negotiable by statute.

(T / F)

(e) The FEMA Act 1999 has repealed the FERA Act 1973.

(T / F)

1×5=5

3. Fill in the blanks :

(a) When there is no 'consent', there is no

....

(b) The term property assured sales in the Sales of Goods Act 1930 means general property in goods

is distinguished from .... property.

(c) A .... partner cannot become a partner in a firm but with consent of all the other partners he may be admitted to the benefit of partnership.

(d) .... means a written document by which a rights is created in favour of some persons.

(e) A minister incharge of the consumer affairs in the Central Government who shall be the

Chairman of the .... Consumer Protection Council.

4. Answer/Write short notes on any *five* of the following : 2×5=10

(a) Quasi-contracts

(b) Rights to unpaid seller

(c) Crossing of cheques

(d) Parties to negotiable instruments

(e) Hire purchase

(f) Define partnership.

(g) Export of goods and services

(h) Authorised person

(i) Partnership deed

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2 0 1 7

(2nd Semester)

COMMERCE

Paper No. : BC–204

(Financial Accounting—II)

Full Marks : 70   Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Define Accounting Theory. Explain the nature and objectives of Accounting Theory.   2+4+3=9

Or

   (b) Write a note on 'Accounting as a Financial Information System'.   9

2. (a) What are 'Statement of Affairs' and 'Deficiency Account' under the Insolvency Act? How is 'Deficiency A/c' prepared?   4+5=9

Or

(b) Mr. Saha of Dimapur commenced business on 01.04.2010 with a capital of ₹ 60,000. He drew on the average ₹ 6,000 a year. His profits for 3 years were ₹ 20,000. He did not maintain proper accounts for the next two years. On 31.03.2015, he became bankrupt.

From the following information, prepare Statement of Affairs and Deficiency A/c : 9

	₹
Sundry Creditors	41,000
Mortgage on property	38,000
Creditors secured by Life Policy (estimated to be worth ₹ 8,000)	24,000
Landlord—two months' rent	400
Municipal taxes	360
2nd mortgage on property	24,000
Bookdebts :	
Good	12,000
Doubtful ₹ 4,000, estimated to produce	1,200
Bad Debts	1,000
Mrs. Saha's loan	5,000
Bills discounted expected to rank	4,000
Property (estimated to produce ₹ 40,000)	80,000
Machinery cost	50,000
Depreciation on it so far	22,000
Machinery estimated to produce	4,000
Cash in hand	160
Furniture (estimated to be realized ₹ 700)	1,600
Stock (estimated to realize ₹ 11,100)	16,000
Clerk's salary for 2 months	400

(Continued)

3. (a) What do you mean by Departmental Accounts? Describe the objectives and advantages of Departmental Accounts.

2+3+4=9

Or

(b) Delhi Ltd. opened a Branch at Dimapur on 1st January, 2014. Goods are sent to the Branch at cost plus $33\frac{1}{3}$%. Prepare Dimapur Branch A/c for the year ended 31st December, 2014 and 31st December, 2015 respectively in the books of Head Office :

9

	2014 ₹	2015 ₹
Goods sent to Dimapur Branch at Invoice Price	4,50,000	7,00,000
Sales at Branch—		
Cash Sales	1,50,000	3,04,000
Credit Sales	1,96,000	4,10,000
Cash received from Debtors	1,54,000	3,23,000
Discount allowed to Customers	2,000	5,000
Cash sent to Branch for expenses (including petty cash)	60,000	1,00,000
Goods returned by Branch to the Head Office (invoice price)	15,000	—
Stock on 31st December at Invoice Price	84,000	69,000
Petty Cash at Branch as on 31st December	900	700

(Turn Over)

4. (a) Give the specimen of Balance Sheet of a Banking Company. 9

Or

(b) From the following particulars, you are required to prepare Fire Revenue A/c for the year ending 31st December, 2015 :

	₹
Claims paid	4,80,000
Claims outstanding on 01.01.2015	40,000
Claims intimated but not accepted on 31.12.2015	10,000
Claims intimated and accepted but not paid on 31.12.2015	60,000
Premium received	12,00,000
Reinsurance Premium	1,20,000
Commission	2,00,000
Commission on reinsurance ceded	10,000
Commission on reinsurance accepted	5,000
Expenses of management	3,05,000
Provision for unexpired risk on 01.01.2015	4,00,000
Additional provision for unexpired risk	20,000
Bonus in reduction of premium	12,000

You are required to provide for additional reserve for unexpired risks at 1% of the net premium in addition to the opening balance. 9

(Continued)

5. (a) What is a 'Sectional Ledger'? Briefly explain the system of Sectional Balancing. State the advantages of Sectional Balancing. 2+4+3=9

Or

(b) From the following information, prepare Sales Ledger Adjustment A/c and Bought Ledger Adjustment A/c in the General Ledger : 9

₹

January 1, 2015 :

	₹
Balances on Bought Ledger (Dr.)	5,000
Balances on Bought Ledger (Cr.)	48,000
Balances on Sales Ledger (Dr.)	70,940
Balances on Sales Ledger (Cr.)	1,120

December 31, 2015 :

	₹
Purchases	2,70,000
Purchase Returns	10,000
Total Sales	3,84,000
Cash Sales	20,000
Sales Returns	5,000
Cash received from customers	3,12,000
Discount Allowed	5,600
Cash paid to suppliers	2,40,000
Transfer from Sales Ledger to Bought Ledger	10,400
Provision for Doubtful Debts	4,580
Cash paid to customers, received by mistake	920

	₹
Discount received	3,600
Bills Receivable received	20,000
Bills Payable issued	11,200
Bills Receivable dishonoured	3,000
Bought Ledger balances (Dr.)	5,200
Sales Ledger balances (Cr.)	6,860

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(2nd Semester)

COMMERCE

Paper No. : BC–204

(Financial Accounting—II)

(PART : A—OBJECTIVE)

(*Marks* : 25)

The figures in the margin indicate full marks for the questions

Answer **all** questions

SECTION—I

(*Marks* : 15)

1. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark :   1×5=5

   (a) The concept of accounting income does not strictly follow the convention of Accounting.

   (T / F)

   (b) Rebate on bills discounted for a Banking Company is an income.

   (T / F)

(c) A person who is unable to pay his debts is an insolvent. (T / F)

(d) A self-balancing ledger is one whose balances, when extracted, do not form a complete Trial Balance. (T / F)

(e) Insurance Company final accounts must also include a Cash Flow Statement. (T / F)

2. Fill in the blanks : 1×5=5

(a) Roots of the Accounting Theory stem from Decision Theory, Measurement Theory and ....

(b) The system of Sectional Balancing is a variance of the .... system.

(c) Profit of life insurance company represents

....

(d) Income increases the .... of business.

(e) A .... Company cannot grant loan to any of its directors.

3. Match the items in *List—A* with items in *List—B* by placing the codes of *List—B* in the brackets provided :

1×5=5

List—A

(a) Surrender Value ( )

(b) Slip System ( )

(c) List H ( )

(d) Sales Ledger ( )

(e) Accounting Informa-
tion System ( )

List—B

(i) Insolvency A/c

(ii) Balance Sheet Valuation

(iii) Self-balancing Ledger

(iv) Users

(v) Banking Company

(vi) Insurance Company

(vii) Departmental A/c

(4)

SECTION—II

(*Marks* : 10)

4. Write short notes on the following in about 4 or 5 sentences each : 2×5=10

(a) Accounting Theory

(b) Rebate on Bills Discounted

(c) Financial Information System

(d) Sectional Balancing Ledger

(8)

(e) Statutory Reserve

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FA-2/BC-204