

2018

(4th Semester)

COMMERCE

(Honours)

Paper No. : BCAF-04

(**Advanced Auditing**)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

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

1. (a) What is dividend? Explain the provisions of Companies Act in regards to declaration of dividend. 2+12=14

Or

- (b) Explain how auditor audits managerial remunerations. Discuss the audit of public deposits. 6+8=14

2. (a) What are the primary functions of banking companies? Explain the procedure of audit of banking companies. 7+7=14

Or

- (b) As an auditor, how would you investigate the affairs of a company when fraud is suspected? 14

3. (a) Write a detailed note on contingency fund. Explain the functions of CAG. 8+6=14

Or

- (b) What is a Public Account? Explain the functions of Public Account Committee. 2+12=14

4. (a) Explain various types of computer system. What are the approaches the auditor can adopt to audit accounts under EDP system? 7+7=14

Or

- (b) Discuss the features of EDP system. Explain the steps to evaluate internal control in an EDP environment. 6+8=14

5. (a) Discuss the standing committee and membership under the provisions of the Chartered Accountants Act, 1949. 7+7=14

Or

- (b) Discuss the provisions of the Chartered Accountants Act, 1949 in regards to professional misconduct and negligence and the procedure of inquiry thereto. 14

2 0 1 8

(4th Semester)

ALTERNATIVE ENGLISH—II (COMMERCE)

Paper No. : Eng (BCM)–404

**(Short Stories, Prose, Communication
Skills and Grammar)**

Full Marks : 70 Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 44)

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

SECTION—I

(Short Stories and Prose)

1. Answer the following questions : 10×3=30

- (a) (i) Discuss the theme of appearance and reality with reference to the character of Captain Forestier.

Or

(ii) Examine *The Doll's House* as a satire.

(b) (i) Bring out the significance of the title, *The Last Leaf*.

Or

(ii) Who is Henry Adams? Give an account of his adventure with the £ 1,000,000 bank-note.

(c) (i) Explain how Nirad C. Chaudhuri attempts to examine an Englishman's degree of attachment to money in his essay, *Money and the Englishman*.

Or

(ii) How does Huxley use analogies to explain his argument in *The Method of Scientific Investigation* ?

SECTION—II
(Communication Skills)

2. Answer the following questions : 7×2=14

(a) You are the General Manager of Brakes and Brakes (India) Limited. You want to appoint two sales representatives for your company. Give an advertisement to be published in the 'situation vacant' column of a local daily.

(b) You are Mr. Ato of Dimapur, Nagaland. You have got a foreign assignment and would be going abroad soon. You have a television set, refrigerator and washing machine to sell. Draft a suitable advertisement to be published in the classified columns in a newspaper.

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2 0 1 8

(4th Semester)

ALTERNATIVE ENGLISH-II (COMMERCE)

Paper No. : Eng (BCM)-404

(Short Stories, Prose, Communication Skills and Grammar)

(PART : A—OBJECTIVE)

(Marks : 26)

The figures in the margin indicate full marks for the questions

SECTION—I

(Short Stories and Prose)

1. Answer the following questions :

2×6=12

(a) What does their mutual interest in the lamp suggest about Kezia and Else?

(b) Why did Captain Forestier marry Eleanor?

(c) Why did the Bank of England issue two notes of a million pound?

(d) What was the doctor's observation about ailing
Johnsy?

(e) How does the writer assess the love of money among the Hindus?

(f) What is the method of scientific investigation according to Huxley?

SECTION—II

(Grammar)

2. Fill in the blanks adding appropriate prefixes to the words in the brackets : 1×7=7

(a) The lady could (see) her daughter's future.

(b) We had to (heat) the oven before we could put the cookies in.

(c) The body was washed (shore) after the mishap.

(d) The local people venerated him as a (god).

(e) He deliberately (spelt)
the words to mislead his friends.

(f) The (President) temporarily
took over after the President's death.

(g) Some of the shanty towns are dreadfully
..... (crowd).

3. Fill in the blanks adding appropriate suffixes to
the words in the brackets : 1×7=7

(a) A (quarrel) person is
detested and despised by all.

(b) I want to publish an
(education) magazine. **

(c) His (pilgrim) to Mecca gave him immense pleasure.

(d) A (history) speech was delivered by the Prime Minister.

(e) The (accident) discovery of radium has led to great advancement in the field of medicine.

(f) The movie was (surprise) good.

(g) The (judge) was in favour of the accused.

2 0 1 8

(4th Semester)

COMMERCE

Paper No. : BC-402

(Fundamentals of Entrepreneurship)

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 meant by entrepreneurship?
Explain its main characteristics. 4+5=9

Or
- (b) Describe in brief the emergence of
entrepreneurial class in India. 9
2. (a) What is external environmental
analysis? Discuss the factors affecting
external environmental analysis. 3+6=9

Or

(b) Discuss the various sources of finance for establishing a business enterprise. 9

3. (a) Explain the concept of social responsibility. List the various causes which have forced the entrepreneur to assume social responsibility. 4+5=9

Or

(b) "Social responsibility of entrepreneur is a two-way traffic." Examine the statement. 9

4. (a) Discuss the role of Government in organizing EDPs. 9

Or

(b) What is EDP? Give a critical evaluation of EDPs. 3+6=9

5. (a) Discuss the role of an entrepreneur in the economic growth of a country. 9

Or

(b) Discuss the role of an entrepreneur in export promotion, import substitution and generation of employment opportunities in a country. 9

2018

(4th Semester)

COMMERCE

Paper No. : BC-402

(Fundamentals of Entrepreneurship)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

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

(a) The higher the rate of innovation, the higher will be the rate of economic growth.

(T / F)

(b) Business planning is the process of deciding in advance for the business enterprise.

(T / F)

(c) The activities of the entrepreneur are the result of his mental background.

(T / F)

(d) Export promotion reduces favourable balance of trade, increases imports and decreases exports.

(T / F)

(e) Social factors are not bound to have deep influence on consumer taste, temperament, life and living standard of the society.

(T / F)

2. Fill in the blanks :

1×5=5

(a) J. B. Say has compared entrepreneur with

a

(b) Promotion involves four elements, i.e, discovery, investigation, assembling and

.....

(c) McClelland has suggested

..... Programme for the development of entrepreneurship.

(d) Entrepreneurial motivation centre is located
in

(e) Import substitution is essential for achieving
self-

3. Choose the correct answer and place its code in the
brackets provided : 1×5=5

(a) The concept of Venture Capital was originated in

- (i) France
- (ii) USA
- (iii) Denmark
- (iv) Russia

(b) The Industrial Dispute Act was passed in the
year

- (i) 1944
- (ii) 1945
- (iii) 1946
- (iv) 1947

(c) The theory that the protestant ethics among Christians foster the right attitude of entrepreneurship was propounded by

(i) J. B. Say

(ii) Keith Davis

(iii) Max Weber

(iv) Peter F. Drucker

(d) All India Small Scale Industries Board was established in

(i) 1954

(ii) 1955

(iii) 1956

(iv) 1957

(e) The New Industrial Policy was announced on

(i) 24th June, 1990

(ii) 24th July, 1990

(iii) 24th June, 1991

(iv) 24th July, 1991

(5)

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

(a) Fabian and Drone Entrepreneur

(b) Venture Capital

(7)

(c) Invention and Innovation

(d) Sources of forex earnings of this country (5)

(e) Objectives of EDPs

Bc/AMD-403

2018

(4th Semester)

COMMERCE

Paper No. : BC-403

(Accounting for Managerial Decision)

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) Briefly discuss the merits and demerits
of financial accounting. $4\frac{1}{2}+4\frac{1}{2}=9$

Or

- (b) Define management accounting. How
does management accounting help in
managerial decision-making? $2+7=9$

8L/436a

(Turn Over)

2. (a) "Management accounting is nothing more than the use of financial information for management purposes." Elucidate this statement. 9

Or

- (b) Define Cost Accounting. Distinguish between Cost Accounting and Management Accounting. 3+6=9

3. (a) Explain the concept of 'marginal costing'. What are the characteristics and assumptions of marginal costing? 3+6=9

Or

- (b) From the following data, you are required to calculate—

(i) P/V ratio;

(ii) break-even sales with the help of P/V ratio;

(iii) sales required to earn a profit of ₹ 4,50,000 : 3+3+3=9

Fixed Expenses—₹ 90,000

Variable cost per unit :

Direct Material—₹ 5

Direct Labour—₹ 2

Direct Overheads 100% of direct labour

Selling price per unit—₹ 12

4. (a) What do you understand by financial statements? Describe various characteristics of ideal financial statements. 2+7=9

Or

- (b) From the following information, prepare a comparative income statement of Swastik Ltd., Mumbai from the following data :

9

Income Statement

| | 2015 | 2016 |
|-------------------------|-------------|------|
| | (₹ in lakh) | |
| Net sales | 600 | 750 |
| Cost of goods sold | 400 | 600 |
| Administrative expenses | 20 | 20 |
| Selling expenses | 10 | 10 |
| Net profit | 170 | 120 |

5. (a) How is reporting done at various levels of management? Explain.

9

Or

- (b) Discuss the informational needs of various levels of management.

9

2018

(4th Semester)

COMMERCE

Paper No. : BC-403

(Accounting for Managerial Decision)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer and place its code in the brackets provided : 1×5=5

(a) Which of the following is not an objective of financial accounting?

(i) Recording of information

(ii) Making information more reliable

(iii) Planning and policy making

(iv) Classification of data

()

(b) The use of management accounting is

- (i) optional
- (ii) compulsory
- (iii) legally obligatory
- (iv) compulsory in certain undertakings

()

(c) Margin of safety can be improved by reducing

(i) variable cost

(ii) total cost

(iii) fixed cost

(iv) sunk cost

()

(d) Operating ratio is a/an

(i) liquidity ratio

(ii) long-term solvency ratio

(iii) profitability ratio

(iv) activity ratio

()

- (e) The method of reporting may depend upon the
- (i) nature of information to be conveyed
 - (ii) volume of data to be given
 - (iii) the media available for communication
 - (iv) All of the above ()

2. Fill in the blanks : 1×5=5

- (a) Financial accounting is
in nature.
- (b) Management accounting is the study of
..... aspect of accounting.
- (c) Break-even analysis is a logical extension
of
- (d) The term financial analysis includes both
analysis and
- (e) Reports are means of
communication.

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

(a) In financial accounting, no emphasis is given to actual figure.

(T / F)

(b) Human Resource Accounting is a tool of management accounting.

(T / F)

(c) Contribution is also known as gross margin.

(T / F)

(d) Vertical analysis refers to the study of relationship of the various items in the financial statements of several accounting periods.

(T / F)

(e) Reporting is not equivalent to communication.

(T / F)

(5)

4. Write on the following in 4 to 5 sentences each :

2×5=10

(a) Objectives of Financial Accounting .

(b) Management Accountant

(c) Margin of Safety

(d) Common Size Statement

(9)

(e) Graphic Reporting

2018

(4th Semester)

COMMERCE

Paper No. : BC-404

(Corporate Accounting)

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 a company? Mention three main characteristics of a company. Distinguish between a Private Ltd. Company and a Public Ltd. Company.

1+3+5=9

Or

- (b) Following figures have been extracted from the books of ABC Ltd. as at 31.3.2016 :

Authorised Capital :

50,00,000 Equity Shares of ₹ 10 each 5,00,00,000

Issued and Subscribed Capital :

45,00,000 Equity Shares of ₹ 10 each
fully paid-up 4,50,00,000

Reserves and Surplus :

| | ₹ |
|--|-------------|
| General Reserve | 50,00,000 |
| Surplus Account | 1,10,00,000 |
| Capital Reserve | 30,00,000 |
| Securities Premium Reserve | 15,00,000 |
| 14% Partly Convertible Debentures of ₹ 100 each | 1,25,00,000 |

The company decided to capitalise its reserves by way of bonus issue at the rate of one share for every 4 shares held. Capital reserve includes ₹ 20,00,000 profit on sale of fixed assets. It may be assumed that securities premium has been realised in cash. 40% of 14% debentures are convertible into equity shares of ₹ 10 each fully paid on 30th September, 2016.

Show the necessary Journal Entries in the books of the company and prepare the extract of the Balance Sheet immediately after the bonus issue before conversion of debentures.

2. (a) What do you understand by Dividend? Briefly explain the sources of declaring Dividend as per Sec. 123 of the Companies Act, 2013. 2+7=9

Or

(b) Following are the balances of M/s Modern Dress Bhandar Ltd. as on 31.3.2014 :

| Debit Balance | ₹ | Credit Balance | ₹ |
|-------------------------|--------------------|---------------------------------|--------------------|
| Premises | 30,72,000 | Share Capital | 40,00,000 |
| Plant | 33,00,000 | 12% Debentures | 30,00,000 |
| Stock | 7,50,000 | Surplus Account | 2,62,500 |
| Debtors | 8,70,000 | Bills Payable | 3,70,000 |
| Goodwill | 2,50,000 | Creditors | 4,00,000 |
| Bank | 4,51,600 | Sales | 41,50,000 |
| Calls in arrears | 75,000 | General Reserve | 2,50,000 |
| Interim dividend paid | 3,92,500 | Bad Debts Provision on 1.4.2013 | 35,000 |
| Purchases | 18,50,000 | | |
| Wages | 9,79,800 | | |
| General Expenses | 73,350 | | |
| Salaries | 2,02,250 | | |
| Bad Debts | 21,000 | | |
| Debenture interest paid | 1,80,000 | | |
| | <u>1,24,67,500</u> | | <u>1,24,67,500</u> |

Additional Information :

- (i) Stock on 31.3.2014 was ₹ 9,50,000
- (ii) Depreciate Plant by 15%
- (iii) Write off ₹ 5,000 from Preliminary Expenses

(iv) Interest on debenture is due for 6 months

(v) Create 5% provision for doubtful debts

(vi) Provide for income tax @ 50%

Prepare final accounts of the company. 9

3. (a) What do you mean by liquidation of a company? Mention the different modes of winding-up. Explain in detail the consequences of winding-up. 2+3+4=9

Or

(b) Following were the liabilities and assets of X limited as on 31.3.2014 :

| Liabilities | ₹ | Assets | ₹ |
|--------------------|----------|-----------------------|----------|
| Share Capital : | | Fixed Assets : | |
| 14%, 4000 Pref. | | Land | 40,000 |
| Shares of ₹ 100 | | Buildings | 1,60,000 |
| each fully | | Plant & Machinery | 5,40,000 |
| paid-up | 4,00,000 | Patents | 40,000 |
| 8000 Equity | | Investments | Nil |
| Shares of ₹ 100 | | Current Assets, Loans | |
| each, ₹ 60 per | | and Advances : | |
| share paid-up | 4,80,000 | Current Assets : | |
| Reserves & Surplus | Nil | Stock at cost | 1,00,000 |
| Secured Loans : | | Sundry Debtors | 2,30,000 |
| (1) 14% Debentures | | Cash at Bank | 60,000 |
| (having a float- | | Surplus Account | |
| ing charge on | | (negative balance) | 2,40,000 |
| all assets) | 2,30,000 | | |

| Liabilities | ₹ | Assets | ₹ |
|---|------------------|--------|------------------|
| Interest accrued on above debentures (also having a floating charge as above) | 32,200 | | |
| (2) Loan on Mortgage of Land & Building | 1,50,000 | | |
| Unsecured Loan | Nil | | |
| Current Liabilities & Provisions : | | | |
| Sundry Creditors | 1,17,800 | | |
| | <u>14,10,000</u> | | <u>14,10,000</u> |

On 31.3.2014 the company went into voluntary liquidation. The dividend on 14% Preference Shares was in arrears for one year. Sundry Creditors include preferential creditors amounting to ₹ 30,000.

The assets realised the following sums :

| | ₹ |
|-------------------|----------|
| Land | 80,000 |
| Building | 2,00,000 |
| Plant & Machinery | 5,00,000 |
| Patent | 50,000 |
| Stock | 1,60,000 |
| Sundry Debtors | 2,00,000 |

The expenses of liquidation amounted to ₹ 29,434. The liquidator is entitled to a commission of 2% on all assets realised (except cash at bank) and 2% on amounts distributed among unsecured creditors other than preferential creditors. All payments were made on 30th June, 2014. Interest on mortgage loan shall be ignored at the time of payment.

Prepare the Liquidator's Final Statement of Account.

4. (a) Explain briefly the different methods of valuation of goodwill.

Or

- (b) P Ltd. proposed to purchase the business carried by Shri C. Goodwill for this purpose is agreed to be valued at three years' purchase of the—

(i) simple weighted profits;

(ii) weight average profits of the past four years.

The appropriate weights to be used are :

| | | | |
|------|---|------|---|
| 2011 | 1 | 2013 | 3 |
| 2012 | 2 | 2014 | 4 |

The profits for these years are :

| | ₹ |
|------|----------|
| 2011 | 1,01,000 |
| 2012 | 1,24,000 |
| 2013 | 1,00,000 |
| 2014 | 1,50,000 |

On a scrutiny of the accounts' the following matters are revealed :

(i) On 1st September, 2013 a major repair was made in respect of the plant incurring ₹ 30,000 which amount was charged to revenue.

The said sum is agreed to be capitalized for goodwill calculation subject to adjustment of depreciation of 10% p.a. on reducing balance method

(ii) The closing stock for the year 2012 was over-valued by ₹ 12,000

(iii) To cover management cost an annual charge of ₹ 24,000 should be made for the purpose of goodwill valuation

Compute the value of goodwill of the firm.

9

5. (a) Define Amalgamation. What entries are passed by a company to close its books when it is amalgamated by another company?

2+7=9

Or

(b) A Ltd. acquired the undertaking of B Ltd. on 31.03.2016 for a purchase consideration of ₹ 2,50,00,000 to be paid by fully paid equity shares of ₹ 10 each. Equity and liabilities and assets of the two companies on the date of acquisition were as follows :

| Liabilities | A Ltd. ₹ | B Ltd. ₹ | Assets | A Ltd. ₹ | B Ltd. ₹ |
|---|--------------------|--------------------|-------------------------|--------------------|--------------------|
| Share Capital : | | | Fixed Assets : | | |
| Equity Shares of ₹ 10 each fully paid-up | 2,50,00,000 | 1,50,00,000 | Land & Building | 1,20,00,000 | 80,00,000 |
| Reserves & Surplus : | | | Plant & Machinery | 2,00,00,000 | 1,80,00,000 |
| General | | | Furniture & Fixtures | 10,00,000 | 20,00,000 |
| Reserve | 1,20,00,000 | 18,00,000 | Current Assets : | | |
| Surplus A/c | 10,00,000 | 53,00,000 | Stock | 55,00,000 | 40,00,000 |
| Development | | | Debtors | 45,00,000 | 40,00,000 |
| Rebate Res. | 10,00,000 | 37,00,000 | Bank | | |
| Workers' Compensation Fund | 15,00,000 | 24,00,000 | Balance | 20,00,000 | 17,00,000 |
| Current Liabilities | 45,00,000 | 95,00,000 | | | |
| | <u>4,50,00,000</u> | <u>3,77,00,000</u> | | <u>4,50,00,000</u> | <u>3,77,00,000</u> |

Pass the necessary Journal entries in the books of A Ltd. when amalgamation is in the nature of merger.

4+5=9

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2018

(4th Semester)

COMMERCE

Paper No. : BC-404

(**Corporate Accounting**)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

Answer **all** questions

SECTION—I

(Marks : 15)

1. Indicate whether the following statements are True (T) or False (F) by putting a Tick (✓) mark :

1×5=5

(a) Capital redemption reserve account can be utilized in writing off preliminary expenses.

(T / F)

(b) Dividend paid or declared is subject to corporate dividend tax @ 15% as per the Finance Act, 2017.

(T / F)

(c) Insolvency is a necessary condition for the liquidation of a Joint-Stock Company. (T / F)

(d) The value of goodwill is more in case of purchase of super profit method as compared to the annuity method of super profit. (T / F)

(e) When two or more companies go into liquidation and a new company is formed to take over their business, it is called absorption. (T / F)

2. Choose the correct answer and place its code in the brackets provided :

1×5=5

(a) If a share of ₹ 10 issued at a premium of ₹ 2, on which the full amount has been called and ₹ 8 (including premium) paid is forfeited, the Capital Account should be debited with

(i) ₹ 12

(ii) ₹ 10

(iii) ₹ 8

(iv) ₹ 6

(b) Share Forfeited Account is shown on the liabilities side of the Balance Sheet

(i) by adding to the paid up capital

(ii) under the head Reserves and Surplus

(iii) under the head Current Liabilities and Provisions

(iv) None of the above []

(c) Liquidator's Final Statement of Account is prepared

(i) only in case of members' voluntary winding up

(ii) only in case of compulsory winding up

(iii) in all modes of winding up

(iv) None of the above []

(d) The most important consideration in the valuation of goodwill is

(i) earning capacity of the business

(ii) financial position of the business

(iii) actual position of the business

(iv) None of the above []

(e) Under Section 64 of the Companies Act, 2013 the company shall give notice of the alteration of capital to the Registrar within _____ days.

(i) twenty

(ii) thirty

(iii) forty

(iv) fifty

[]

3. Fill in the blanks :

1×5=5

(a) Capital Redemption Reserve Account is

created to meet

(b) Unclaimed dividend is shown on the liabilities side of the Balance Sheet under the heading

.....

(c) As per of the Companies Act 2013, the winding up of a company may be either by the Tribunal or Voluntary.

(d) Super profit = Actual profit -

.....

(e) When an existing company takes over the business of one or more existing companies, it is amalgamation in the nature

.....

(5)

SECTION—II

(Marks : 10)

4. Write short notes on the following :

2×5=10

(a) Bonus share

(b) Capital Reserve and Reserve Capital

(c) Statement of Affairs

(d) Super profit method of valuation of goodwill

(e) Amalgamation in the nature of merger
