

**2 0 2 3**

( CBCS )

( 2nd Semester )

COMMERCE

( Honours )

Paper : BCH-2.1

( **Corporate Accounting** )

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

1. (a) What is Bonus Share? What are the advantages and disadvantages of Bonus Shares? 3+(6+6)=15

Or

- (b) B Ltd. issued 1000 shares of ₹ 100 each at a premium of ₹ 20. The amount payable thereon are as under :

On application—₹ 20

On allotment—₹ 60

(including premium)

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On first call—₹ 30

On final call—₹ 10

Application were received for 15000 shares. Only 12000 shares were allotted on pro rata basis. The remaining 3000 shares were rejected and their amount refunded. All the calls were made and money received in full, except 100 shares of Mr. X in both calls and 200 shares of Mr. Y in final call. Unpaid shares were forfeited after legal formalities. Forfeited shares were re-issued at 10% discount to Mr. D.

Pass the necessary Journal Entries in the books and show the Balance Sheet.

12+3=15

2. (a) Define goodwill. Why is valuation of goodwill required? Discuss the various methods of calculating goodwill.

2+3+10=15

Or

- (b) The following is the Balance Sheet of M/s. MDB Ltd. as on 31.03.2019 :

<i>Debit Balances</i>	₹
Premises	30,72,000
Plant	33,00,000
Stock	7,50,000

( Continued )

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<i>Debit Balances</i>	₹
Debtors	8,70,000
Goodwill	2,50,000
Bank	4,51,600
Call in Arrears	75,000
Interim Dividend Paid	3,92,500
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>

<i>Credit Balances</i>	₹
Share Capital	40,00,000
12% Debentures	30,00,000
Surplus A/c	2,62,500
Bills Payable	3,70,000
Creditors	4,00,000
Sales	41,50,000
General Reserve	2,50,000
Bad Debt Provisions	35,000
(01.04.2018)	<u>1,24,67,500</u>

*Additional Information :*

- (i) Stock on 31.03.2019 was ₹ 9,50,000
- (ii) Depreciate plant at 15%
- (iii) Create 5% provision for doubtful debts

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(iv) Provide for income tax ₹ 1,20,000  
Prepare Statement of Profit & Loss and  
Balance Sheet as per the Companies  
Act, 2013. 7+8=15

3. (a) Pass accounting entries in the book of  
Transferor and Transferee Companies  
on amalgamation. 15

Or

- (b) A Ltd. went into voluntary liquidation  
on 31.12.2019. The Balance Sheet in its  
books on that date were :

₹	
I. Equity & Liabilities	
Share Capital :	
5000, 6% Cumulative Preference Share of ₹ 100 each	5,00,000
2500 Equity Shares of ₹ 100 each	1,87,500
7500 Equity Shares of ₹ 100 each, ₹ 60 paid	4,50,000
5% Mortgage Debentures	2,50,000
Interest Outstanding	12,500
Creditors	3,62,500
	<u>17,62,500</u>

II. Assets	
Land and Building	2,50,000
Plant and Machinery	6,25,000
Patents	1,00,000
Stock	1,37,500

( 5 )

₹	
Sundry Debtors	2,75,000
Cash at Bank	75,000
Profit & Loss	3,00,000
	<u>17,62,500</u>

The liquidator is entitled to a  
commission of 3% on all assets except  
cash and 2% on amount 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  
Building. The Preference 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
Liquidator's Expenses	27,250

Prepare Liquidator's Statement of A/c. 15

4. (a) Define holding company. Explain the  
advantages and disadvantages of  
holding companies. 15

( 6 )

( 7 )

Or

(b) Ben Ltd. acquired 12000 shares of John Ltd. of the full value of ₹ 10 each at a price of ₹ 1,70,000 on 01.04.2017. The Balance Sheets of the two companies as on 31.03.2018 were as follows :

	Ben Ltd. ₹	John Ltd. ₹
I. Equity and Liabilities		
1. Shareholders' Funds :		
(a) Share Capital	10,00,000	2,00,000
(b) Reserves and Surplus :		
(i) General Reserve (01.04.2017)	4,20,000	1,00,000
(ii) Profit & Loss (01.04.2017)	90,000	40,000
(iii) Profit for the year	1,70,000	45,000
2. Current Liabilities :		
(a) Short-term borrowing		
(b) Trade Payables :		
Sundry Creditors	2,40,000	92,000
Bills Payable	80,000	60,000
	20,00,000	5,37,000
II. Assets :		
1. Non-Current Assets		
(a) Fixed Assets : Tangible		
Land & Building	4,00,000	1,00,000
Plant & Machinery	5,00,000	1,00,000
Intangible Assets—		
Goodwill	3,00,000	70,000

	Ben Ltd. ₹	John Ltd. ₹
(b) Non-Current Investment	2,00,000	—
2. Current Assets :		
(a) Inventories (Stock)	2,00,000	40,500
(b) Trade Receivables :		
Debtors	3,00,000	1,34,500
Bills Receivables	20,000	30,000
(c) Cash & Cash Equivalent :		
Cash at Bank	80,000	62,000
	20,00,000	5,37,000

Additional Information :

- (i) Both the companies have proposed 10% dividend for 2017-18
- (ii) Out of the Debtors and Bills Receivables of Ben Ltd. ₹ 50,000 and ₹ 16,000 respectively represented due from John Ltd.

Prepare Consolidated Balance Sheet of Ben Ltd. and its Subsidiary Ltd. as at 31.03.2018.

15

5. (a) The following are the figures extracted from the book of S Bank Ltd. as on 31.03.2018 :

	₹
Interest and discount received	20,30,000
Interest paid on deposits	12,02,000
Issue and subscribed capital	5,00,000

	₹
Reserve under Section 17	3,50,000
Commission, exchange and brokarage	90,000
Rent received	30,000
Profit on sales of investment	95,000
Salaries and allowances	1,05,000
Directors' fee and allowances	12,000
Rent and taxes paid	54,000
Stationery and printing	12,000
Postage and telegram	25,000
Other expenses	12,000
Audit fees	4,000
Depreciation on bank property	12,500

*Other Information :*

- (i) Provision for Bad and Doubtful Debts necessary—₹ 2,00,000
- (ii) Rebate on Bills Discounted as on 31.12.2018—₹ 7,500
- (iii) Provide ₹ 3,50,000 for income tax
- (iv) The directors desire to declare 10% dividend

Prepare Profit & Loss A/c in accordance with the law. 15

Or

- (b) Explain the difference of Banking and Non-Banking Companies Balance Sheet. 15

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**COMMERCE**

**( Honours )**

**Paper No. : BCH-2.2**

**( Corporate Law )**

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

1. (a) Explain the characteristics and types of companies. 7+8=15

*Or*

- (b) Discuss the steps required in the formation of a company. 15

2. (a) Explain Memorandum of Association and Articles of Association. 7+8=15

( 2 )

*Or*

- (b) Explain the extent of civil and criminal liabilities for misstatement in prospectus. 15
3. (a) Explain the power and duties of a Director. 7+8=15

*Or*

- (b) Explain the different types of meetings. 15
4. (a) Explain the procedure regarding the appointment of Auditors. 15

*Or*

- (b) Explain the various modes of winding-up of a company.
5. (a) Explain the rights and obligation of deposits as per the Depositories Act, 1996. 15

*Or*

- (b) Explain the inquiry, inspection and its penalty as per the Depositories Act.

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**COMMERCE**

( Honours )

Paper : BCAF-02

**( Advance Financial Accounting )**

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

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

1. (a) What are the advantages and disadvantages of consolidation of final statement of accounts of a holding company and its subsidiary companies?

7+7=14

Or

- (b) From the Balance Sheet as on 31st March, 2022, given next page,



( 2 )

prepare a Consolidated Balance Sheet of  
A Ltd. and its subsidiary company  
B Ltd. :

14

Particulars	A Ltd. ₹	B Ltd. ₹
<b>I. Equity and Liabilities :</b>		
1. Shareholders' Funds :		
(a) Share Capital :		
Equity Shares of ₹ 10 each	25,00,000	6,00,000
(b) Reserves and Surplus :		
General Reserves	3,60,000	1,20,000
Surplus A/c	2,40,000	1,80,000
2. Current Liabilities :		
Trade Creditors	3,50,000	1,00,000
	<u>34,50,000</u>	<u>10,00,000</u>
<b>II. Assets :</b>		
1. Fixed Assets :		
Land and Building	6,40,000	2,00,000
Machinery	12,60,000	3,40,000
Furniture	1,40,000	60,000
2. Investments :		
40000 shares in B Ltd.	5,00,000	—
3. Current Assets :		
Stock in Hand	4,10,000	2,50,000
Debtors	3,80,000	1,00,000
Bank Balance	1,20,000	50,000
	<u>34,50,000</u>	<u>10,00,000</u>

( Continued )

( 3 )

At the date of acquisition of A Ltd. of its holding of 40000 shares in B Ltd., the latter company had undistributed profits and reserves amounting to ₹ 1,00,000, none of which has been distributed since then.

2. (a) What do you mean by Purchase Consideration? Explain the different ways for the calculation of purchase consideration. 4+10=14

Or

- (b) TV Ltd. absorbed the business of Radio Ltd. as a going concern on 31st March, 2021, the Balance Sheet of the two companies, on that date, being as under :

Particulars	TV Ltd. ₹	Radio Ltd. ₹
<b>I. Equity and Liabilities :</b>		
1. Shareholders' Funds :		
(a) Share Capital :		
Shares of ₹ 10 each fully paid	10,00,000	6,00,000
(b) Reserves and Surplus :		
Reserves	1,20,000	—
Surplus A/c (Dr.)	—	(-) 2,40,000

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Particulars	TV Ltd. ₹	Radio Ltd. ₹
2. Current Liabilities :		
Creditors	20,000	1,00,000
Bank Overdraft	—	1,00,000
	<u>11,40,000</u>	<u>5,60,000</u>
II. Assets :		
1. Fixed Assets :		
Building	5,00,000	—
Goodwill	—	1,00,000
2. Investments	1,20,000	—
3. Current Assets :		
Stock	1,40,000	2,60,000
Debtors	2,80,000	2,00,000
Balance of Bank	1,00,000	—
	<u>11,40,000</u>	<u>5,60,000</u>

The purchase consideration was agreed upon at ₹4,00,000 payable as to ₹2,00,000 in cash and the balance by issue of 16000 equity shares of ₹10 each fully paid in TV Ltd. at an agreed value of ₹12.50 per share. The sale was completed and Radio Ltd., then went into liquidation.

Pass Journal Entries in the books of TV Ltd. and prepare the Balance Sheet of TV Ltd. after the purchase. 7+7=14

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( Continued )

3. (a) Critically examine the various tools available for financial analysis. What are the limitations of such tools? 7+7=14

Or

- (b) Balance Sheet of M/s Z Ltd. for the year ended 31st March, 2021 is as follows :

Particulars	₹
I. Equity and Liabilities :	
1. Shareholders' Funds :	
(a) Share Capital :	
2000 Equity Shares of ₹100 each	2,00,000
(b) Reserves and Surplus :	
Reserves	90,000
Surplus A/c	60,000
2. Current Liabilities :	
Bills Payables	40,000
Other Current Liabilities	90,000
	<u>4,80,000</u>
II. Assets :	
1. Fixed Assets :	
Land & Buildings	1,50,000
Plant & Machinery	80,000
2. Current Assets :	
Stock-in-Trade	1,49,000
Sundry Debtors	41,000

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Particulars	₹
Bills Receivables	30,00
Cash and Bank Balance	30,00
	<u>4,80,00</u>

Calculate the—

- (i) sales to capital employed;  
(ii) sales to fixed assets;  
(iii) sales to working capital;  
(iv) sales to total assets;  
(v) stock turnover ratio;  
(vi) receivable turnover ratio;  
(vii) creditors turnover ratio with reference to the following information :  $2 \times 7 = 14$

	₹
Sales (credit)	8,50,000
Cost of goods sold	5,10,000
Average inventory	1,24,250
Average account receivables	85,000
Average account payables	80,000
Credit purchases	5,45,250

4. (a) What do you mean by Cash Flow Statement? Discuss the significance of projected cash flow statement in decision making.  $6+8=14$

( 7 )

Or

(b) Balance Sheet of Luffy Ltd. as on 1st January, 2021 and 31st December, 2021 were as follows :

Particulars	01.01.2021 ₹	31.12.2021 ₹
<b>I. Equity and Liabilities :</b>		
1. Shareholders' Funds :		
(a) Share Capital :		
Shares of ₹ 100 each	1,25,000	1,53,000
(b) Reserves and Surplus :		
Reserves	25,000	—
2. Current Liabilities :		
Creditors	40,000	44,000
Bills Payable	40,000	50,000
	<u>2,30,000</u>	<u>2,47,000</u>
<b>II. Assets :</b>		
1. Fixed Assets :		
Land	40,000	50,000
Building	35,000	60,000
Machinery	80,000	55,000
2. Current Assets :		
Cash	10,000	7,000
Debtors	30,000	50,000
Stock	35,000	25,000
	<u>2,30,000</u>	<u>2,47,000</u>

( 8 )

During the year a machine costing ₹ 10,000 (Accumulated depreciation ₹ 3,000) was sold for ₹ 5,000. The provision for depreciation against machinery as on 1st January, 2021 was ₹ 25,000 and on 31st December, 2021 ₹ 40,000. Net profit for the year 2021 amounted to ₹ 45,000.

You are required to prepare Fund Flow Statement. 14

5. (a) What do you mean by Inflation Accounting? Give its advantages and disadvantages. 4+5+5=14

Or

- (b) Following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the Liquidation Final A/c allowing for his remuneration @ 3% on the amount realized and 2% on the amount paid to the unsecured creditors : 14

Share Capital Issued :

- 1000 Preference Shares of ₹ 100 each (fully paid)
- 20000 Equity Shares of ₹ 10 each (fully paid)
- 4000 Equity Shares of ₹ 10 each (₹ 8 paid)

( 9 )

Assets realized ₹ 3,08,000 excluding amount realized by Sole of Securities held by secured creditors.

	₹
Secured creditors (Security realized ₹ 54,000)	46,000
Unsecured creditors	2,83,698
Preferential creditors	8,000
Debentures having a floating charge on the assets	1,00,000
Expenses of liquidation	3,000

A call of ₹ 2 per share on the partly paid equity shares was duly paid except in case of one shareholder owning 400 shares.

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**ECONOMICS**

Paper No. : EC2.GE2/DSC1B

**( Principles of Microeconomics—II )**

( PART : A—OBJECTIVE )

( Marks : 25 )

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

**A.** Choose the correct answer by putting a Tick (✓) mark  
in the brackets provided : 1×10=10

1. Income, wealth and prices define

- (a) a budget constraint ( )
- (b) expenditure function ( )
- (c) expenditure minimization ( )
- (d) expenditure maximization ( )

2. The function that measures the preference of the consumers in their consumption of goods and services is
- (a) expenditure function ( )
- (b) production function ( )
- (c) consumption function ( )
- (d) utility function ( )
3. Income effect on demand for a product is a change in the demand for a product due to
- (a) change in the real income of the consumers ( )
- (b) change in the per capita NI ( )
- (c) change in the money income of the consumers ( )
- (d) All of the above ( )
4. Revealed Preference theory was propounded by
- (a) J. S. Mill ( )
- (b) P. A. Samuelson ( )
- (c) J. R. Hicks ( )
- (d) A. K. Sen ( )

5. The Total Product (TP) is maximum, when
- (a)  $MP = AP$  ( )
- (b)  $MP < 0$  ( )
- (c)  $MP = 0$  ( )
- (d)  $AP = 0$  ( )
6. Returns to scale refers to the effect on total output of changes on
- (a) all the inputs simultaneously ( )
- (b) a factor ( )
- (c) various inputs separately ( )
- (d) None of the above ( )
7. Which of the following cost curves is not U-shaped?
- (a) AVC ( )
- (b) AFC ( )
- (c) AC ( )
- (d) MC ( )

( 4 )

8. Derived demand is also known as
- (a) output demand ( )
  - (b) consumption demand ( )
  - (c) production demand ( )
  - (d) input demand ( )
9. According to Marginal Productivity of Labour, wages are
- (a) equal to the value of the average product for labour ( )
  - (b) equal to the value of the marginal product of labour ( )
  - (c) less than the value of the marginal product of labour ( )
  - (d) more than the value of the marginal product of labour ( )
10. Which of the following is an implicit cost?
- (a) Cost of raw materials ( )
  - (b) Service rendered by an entrepreneur in his own firm ( )
  - (c) Interest on borrowed money ( )
  - (d) Payments for power and fuel ( )

( 5 )

B. Indicate whether the following statements are True (T) or False (F) by putting a Tick (✓) mark :  $1 \times 5 = 5$

1. All Giffen goods are inferior goods but all inferior goods are not Giffen goods. ( T / F )
2. The shift in the labour demand curve is due to the change in the wage rate. ( T / F )
3. The expenditure function and the indirect utility function are inversely related. ( T / F )
4. Short-run Average Cost Curve is also known as an envelope curve. ( T / F )
5. In a linear production function the inputs cannot be substituted. ( T / F )

( 6 )

C. Write short notes on any *five* of the following :  $2 \times 5 = 10$

1. Utility function

( 7 )

2. MRTS



( 8 )

3. Intertemporal choice

( 9 )

4. Linear production function

( 10 )

5. Gross demand and Net demand

( 11 )

6. Money cost and Real cost

( 12 )

7. Derived demand

( 13 )

8. Elasticity of substitution