# 2 0 1 7

( 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)* Explain how an Auditor audits *(i)* profit prior to incorporation, and *(ii)* preliminary expenses. 7+7=14

Or

*(b)* What are the statutory books and registers required to be maintained by a company under the Companies Act, 1956? Explain the Auditor's duty in this connection. 7+7=14

**2.** (a) Explain the procedures of audit of an insurance company. 14

Or

(b) What do you mean by investigation of accounts? Explain the procedure you would adopt to investigate a suspected fraud in a business. 14

**3.** (a) How is the Comptroller and Auditor General of India appointed? Explain his duties and powers. 4+10=14

Or

(b) Explain how an Auditor examines the expenditure and receipts of Government Departments. 14

**4.** (a) Discuss the characteristics of an electronic data processing environment. 14

Or

(b) Discuss the controls that may be instituted by the management of an entity over computerised processing of accounting data to prevent errors, frauds and accidental loss of data. 14

5. (a) What is professional misconduct according to the Chartered Accountants Act, 1949? How does it differ from professional negligence? Under what conditions a Chartered Accountant acting as an Auditor will be deemed guilty or misconduct? 3+3+8=14

*Or*

(b) Outline the procedure of inquiry into the charges of misconduct of members under the Chartered Accountants Act, 1949. 14

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# 2 0 1 7

( 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*

Answer **all** questions

1.  (a)  What do you understand by redemption of preference shares? State the provisions of the Companies Act, regarding redemption of preference shares.          3+6=9

*Or*

(b)  X Ltd. issued for public subscriptions 20000 equity shares of ₹ 10 each at a premium of ₹ 2 per share payable as under :

₹ 2 per share on application
₹ 5 per share
        (including premium on allotment)
₹ 2 per share on first call
₹ 3 per share on final call

Applications for 30000 shares were received. Allotment was made pro rata to the applicants for 24000 shares, the remaining applications being rejected. Money overpaid on application was utilized towards sum due on allotment.

Shri Y to whom 800 shares were allotted failed to pay the allotment money, first and second calls money and Shri Z to whom 1000 shares were allotted failed to pay the last two calls.

These shares were subsequently forfeited after the second call was made. All these forfeited shares were reissued to Shri W as fully paid-up at ₹ 8 per share.

Give the necessary Journal entries to record the above transactions.          9

2. (a) What is divisible profit? Write the difference between capital reserve and general reserve.          2+7=9

*Or*

(b) Following is the Trial Balance of P. K. Limited as on 31st March, 2014 :

| Debit Balance | ₹ | Credit Balance | ₹ |
| --- | --- | --- | --- |
| Opening Stock | 1,50,000 | Equity Share Capital | 5,00,000 |
| Purchases | 3,80,000 | Purchase Return | 10,000 |

*( Continued )*

| Debit Balance | ₹ | Credit Balance | ₹ |
|---|---|---|---|
| Wages | 60,000 | Sales | 11,50,000 |
| Carriages | 2,000 | Discount | 6,300 |
| Furniture | 25,000 | Surplus Account | 1,70,000 |
| Salaries | 12,000 | Sundry Creditors | 33,700 |
| Rent | 15,000 | General Reserve | 82,000 |
| Trade Expenses | 11,000 | Bills Payable | 13,000 |
| Sundry Debtors | 54,000 | Provision for | |
| Plant & Machinery | 12,00,000 | Doubtful Debts | 3,000 |
| Cash at Bank | 21,500 | | |
| Patents | 9,000 | | |
| Bills Receivable | 14,000 | | |
| Bad Debts | 6,500 | | |
| Discount Allowed | 8,000 | | |
| | 19,68,000 | | 19,68,000 |

**Additional Information :**

(i) Stock on 31st March, 2014 ₹ 2,00,000

(ii) Depreciate Plant and Machinery @ 10% and Furniture @ 15%

(iii) Further bad debts written off ₹ 4,000 and provide provision for bad debts @ 5% on Debtors

(iv) Provide income tax @ 40% of the company

(v) The board of directors recommended a dividend of 25% on paid-up capital

Prepare Trading Account, Profit & Loss Account and Balance Sheet of the company as on that date.        2+4+3=9

3. (a) The following are the particulars of X Co. Ltd. as on 31st March, 2015 :

| Liabilities | ₹ | Assets | ₹ |
|---|---|---|---|
| Issued and Subscribed Capital : | | Land and Buildings | 1,00,000 |
| 2000, 6% Preference | | Machinery | 2,50,000 |
| Shares of | | Patents | 40,000 |
| ₹ 100 each | 2,00,000 | Stock | 50,000 |
| 1000 Equity Shares | | Sundry Debtors | 1,15,000 |
| of ₹ 100 each | | Cash at Bank | 30,000 |
| paid ₹ 75 each | 75,000 | Profit and Loss A/c | 1,20,000 |
| 3000 Equity Shares | | | |
| of ₹ 100 each | | | |
| paid ₹ 60 | 1,80,000 | | |
| 5% Debentures | | | |
| having a floating | | | |
| charge on all assets | 1,00,000 | | |
| Interest Outstanding | 5,000 | | |
| Creditors | 1,45,000 | | |
| | 7,05,000 | | 7,05,000 |

The company went into liquidation on the above date. The preference share dividends were in arrear for two years. Creditors include ₹ 50,000 on the mortgage of land and buildings. The assets realized are as follows.:

| | ₹ |
|---|---|
| Land and Buildings | 1,20,000 |
| Machinery | 2,00,000 |
| Patents | 30,000 |
| Stock | 60,000 |
| Sundry Debtors | 80,000 |

The expenses of liquidation amounted to ₹ 10,000. The liquidator is entitled to a commission of 2% on all assets realized except cash and 3% on amounts distributed among unsecured creditors. Preference creditors amount to ₹ 15,000.

Prepare the liquidator's Final Statement of Accounts. 9

*Or*

(b) Explain the various lists to be attached to the statement of affairs. 9

4. (a) What are the different methods of valuation of shares? Explain. 9

*Or*

(b) From the following information supplied by the *ABC* Co. Ltd., ascertain the value of goodwill under capitalization of average profit :

| Liabilities | ₹ | Assets | ₹ |
|---|---|---|---|
| Paid-up Capital 2500 shares of ₹ 100 each | 2,50,000 | Goodwill | 25,000 |
| | | Land and Building | 1,10,000 |
| Bank Overdraft | 48,000 | Plant and Machinery | 1,00,000 |
| Sundry Creditors | 80,500 | Stock | 1,50,000 |
| Provision for Taxation | 42,500 | Book Debt | 96,000 |
| Profit and Loss A/c | 60,000 | | |
| | 4,81,000 | | 4,81,000 |

The company commenced operations in 1996 with a paid-up capital as aforesaid ₹ 2,50,000. Profits earned before providing for taxation have been as follows :

1997—₹ 60,000
1998—₹ 75,000
1999—₹ 85,000
2000—₹ 95,000
2001—₹ 85,000

You may assume that income tax at the rate of 50% has been payable on these profits. Dividend has been distributed from the profit of the first two years at the rate of 10% and from those of the next three years at the rate of 15% on the paid-up capital.

5. (a) What is amalgamation? Explain the concept of amalgamation as per Accounting Standard 14.          2+7=9

*Or*

(b) TV Ltd. absorbed the business of Radio Ltd. as a going concern on 31st March, 2016. The Balance Sheets of the two companies, on that date, being as under :

| Liabilities | TV Ltd. ₹ | Radio Ltd ₹ | Assets | TV Ltd. ₹ | Radio Ltd. ₹ |
|---|---|---|---|---|---|
| Share Capital Authorized of ₹ 10 each | 20,00,000 | 6,00,000 | Goodwill | — | 1,00,000 |
|  |  |  | Building | 5,00,000 | — |
|  |  |  | Stock | 1,40,000 | 2,60,000 |

( *Continued* )

| Liabilities | TV Ltd. ₹ | Radio Ltd ₹ | Assets | TV Ltd. ₹ | Radio Ltd. ₹ |
|---|---|---|---|---|---|
| Issued and Paid-up ₹ 10 each fully paid-up | 10,00,000 | 6,00,000 | Debtors | 2,80,000 | 2,00,000 |
| Reserves | 1,20,000 | — | Investment | 1,20,000 | — |
| Creditors | 20,000 | 1,00,000 | Balance at Bank | 1,00,000 | — |
| Bank Overdraft | — | 1,00,000 | Profit and Loss A/c | — | 2,40,000 |
| | 11,40,000 | 8,00,000 | | 11,40,000 | 8,00,000 |

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.        9

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# 2 0 1 7

( 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) Public limited companies cannot issue deferred shares.

    ( T / F )

    (b) Ordinarily capital profits are not available for the distribution of dividend.

    ( T / F )

(c) A contributory can only be a present member of the liquidated company.

( T / F )

(d) Goodwill is a fictitious asset.

( T / F )

(e) AS 14 deals with accounting for amalgamation.

( T / F )

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

(a) Reserve capital is a part of

(i) paid-up capital

(ii) capital reserve

(iii) uncalled capital

(iv) capital losses                    [      ]

(b) Debentureholders having a floating charge on assets are

    (i)   secured creditors

    (ii)  unsecured creditors

    (iii) preferential creditors

    (iv) None of the above         [    ]

(c) Exchange rate method is used for valuation of

    (i)   goodwill

    (ii)  foreign exchange

    (iii) depreciation

    (iv) share                   [    ]

(d) Revaluation reserve should be shown on Balance Sheet liabilities side under the heading

    (i)   current liabilities and provisions

    (ii)  reserve and surplus

    (iii) secured loan

    (iv) unsecured loan         [    ]

(e) If liquidation expenses are paid by the transferee company, then which account will be debited?

   (i) Bank Account

   (ii) Transferor Company Account

   (iii) Goodwill Account

   (iv) Transferee Company Account    [    ]

3. Fill in the blanks :          1×5=5

(a) The transfer of shares is generally restricted by the ............................ of a private limited company.

(b) Electric bill under dispute is an example of ............................ liability.

(c) List 'H' gives the list of ............................ .

(d) Goodwill is liable to constant fluctuations so its value reduction is ............................ .

(e) Internal reconstruction is generally resorted to write off the ............................ .

( **5** )

SECTION—II

( *Marks* : 10 )

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

   *(a)*  Types of debenture

(b) Deferred revenue expenditure

(c)  Preferential creditors

(d) Net tangible assets basis

*(e)* Lump sum method

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# 2 0 1 7

( 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) Explain the meaning and functions of Financial Accounting.          2+7=9

   *Or*

   (b) Explain how financial accounting be useful for the management. State its limitations.          5+4=9

( *Turn Over* )

2. (a) What do you understand by Management Accounting? Discuss some of the important tools and techniques used in Management Accounting. 2+7=

*Or*

(b) Discuss the nature and scope of Management Accounting. 4+5=

3. (a) What is Break-even Analysis? State the assumptions and limitations of break-even analysis. 1+4+4=

*Or*

(b) X Ltd. sells 8000 units of its products at a loss of ₹ 16,000. Variable cost per unit is ₹ 12 and total fixed cost is ₹ 48,000. Calculate—

   (i) profit-volume ratio;

   (ii) the number of units to be sold to earn a profit of ₹ 10,000;

   (iii) the amount of profit from a sale of 20000 units. 3+3+3=

4. (a) What is meant by Analysis of Financial Statement? Explain the different methods used for the analysis and interpretation of financial statements. 2+7=9

*( Continued )*

*Or*

(b) From the following information, make out a statement of Proprietor's Fund with as many details as possible :

Current Ratio—2·5

Liquid Ratio—1·5

Proprietary Ratio—0·75

(Fixed Assets/Proprietor's Fund)

Working Capital—₹ 60,000

Reserves and Surplus—₹ 40,000

Bank Overdraft—₹ 10,000

There is no long-term loan or fictitious assets.                                                                   9

5. (a) What is management reporting? Explain the various methods of reporting.        2+7=9

*Or*

(b) Discuss the various kinds of reports prepared for different levels of management.                                                                   9

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# 2017

( 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) Financial Accounting records only

       (i) qualitative information

       (ii) quantitative information

       (iii) both qualitative and quantitative informations

       (iv) None of the above                            (        )

(b) The term 'Management Accounting' was first used in the year

    (i)   1930

    (ii)   1950

    (iii)  1952

    (iv)  None of the above    (      )

(c) The Break-even Point is the point at which

    (i)   there is no profit or loss

    (ii)  contribution margin is equal to total fixed cost

    (iii) total revenue is equal to total cost

    (iv) All of the above    (      )

(d) Horizontal analysis is also known as

    (i)   static analysis

    (ii)  dynamic analysis

    (iii) cross-sectional analysis

    (iv) None of the above    (      )

(e) Special reports may deal with

    (i) technological changes in the industry

    (ii) purchase of raw materials

    (iii) reports on production

    (iv) None of the above         (      )

2. Fill in the blanks :              1×5=5

(a) The purpose of using accounting information

    is to increase ............................................. of the concern.

(b) The total of direct material, labour and other direct

    cost is termed as ................................... cost.

(c) Profit-volume graph is a .........................................
    representation of the profit-volume relationship.

(d) Cashflow Statement is useful for ...................

    ............................. financial planning.

(e) The cost of producing one additional unit of

    product is called ..................................... cost.

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

(a) Management Accounting is an alternative to administration.

                 ( T / F )

(b) Contribution helps the management in fixation of selling prices.

                 ( T / F )

(c) Analysis of financial statements does not ignore price level changes.

                 ( T / F )

(d) Debt-equity ratio measures short-term financial position of the business.

                 ( T / F )

(e) Visual reporting through graph, charts and diagrams should be preferred to descriptive reports.

                 ( T / F )

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

$2 \times 5 = 10$

(a) Characteristics of Financial Accounting

*(b)* Comparative income statements

*(c)* Make or buy decisions

*(d)* Types of leverages

*(e)* Routine reports

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# 2 0 1 7

( 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*

Answer **all** questions

1. (a) Explain the concept of entrepreneur as leadership, risk taking, decision making and business planning.          9

   *Or*

   (b) Discuss the different theories of entrepreneurship.          9

2. (a) What is opportunity analysis? Explain the various factors/sources of opportunity analysis.          2+7=9

*Or*

(b) Enumerate the legal requirements for establishment of a new unit. 9

3. (a) Discuss the psychological theories of entrepreneurship. 9

*Or*

(b) Discuss the relationship between entrepreneur and innovation. 9

4. (a) What do you understand by EDPs? Explain the role and objective of EDPs.

2+7=9

*Or*

(b) Discuss the suggestions for making EDPs more effective. 9

5. (a) Discuss the role of entrepreneur in bringing about social stability and balanced regional development of industries. 9

*Or*

(b) What is forex earning? Explain the role of entrepreneur in augmenting and meeting local demand.

2+7=9

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**2 0 1 7**

( 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) Export promotion increases unfavourable balance of trade, increase imports and decrease exports.

    ( T / F )

    (b) Entrepreneurial Motivation Centre has been set up in the North-Eastern region of India.

    ( T / F )

    (c) Motivation implies an inner state that causes a person to act towards the attainment of goals.

    ( T / F )

(d) Environmental analysis means an assessment of various influencing factors in relation to the entire venture.

( *T* / *F* )

(e) Prof. A. H. Cole regarded an entrepreneur as an innovator.

( *T* / *F* )

**2.** Fill in the blanks :　　　　　　　　　1×5=5

(a) ................................................ has given the need for achievement theory of entrepreneurship.

(b) According to Peter Drucker, an entrepreneur is one who always searches for change, responds to

it and exploits it as an ................................... .

(c) Policies, practices and measurement make possible　entrepreneurship　and

.................................... .

(d) ................................................ considered entrepreneurship as a function of social, political and economic structure.

(e) The Council which examines various aspects of export promotion such as price, quality packaging, marketing, transport, etc., is known

as ................................................ .

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

(a) All India Small-Scale Industries Board was established in

   (i) 1953

   (ii) 1954

   (iii) 1955

   (iv) 1956                                      (    )

(b) The theory of withdrawal of status was developed by

   (i) E. Hagen

   (ii) Schumpeter

   (iii) Koontz and O'Donnel

   (iv) Keith Davis                                      (    )

(c) The Minimum Wages Act was passed in the year

    (i) 1936

    (ii) 1938

    (iii) 1948

    (iv) 1972              (     )

(d) Risk Capital Foundation (RCF) was started by IFCI in the year

    (i) 1972

    (ii) 1974

    (iii) 1965

    (iv) 1975              (     )

(e) Who was the first person to argue that the entrepreneurial growth was dependent upon the 'ethical value system' of the society concern?

    (i) Prof. Knight

    (ii) Max Weber

    (iii) J. B. Say

    (iv) Peter F. Drucker         (     )

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

   *(a)* Promotion of a venture

*(b)* Difference between entrepreneur and manager

(c) Sources of forex earnings

(d) Entrepreneurial attitude

(e) Sources of finance

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# 2 0 1 7

( 4th Semester )

## ALTERNATIVE ENGLISH

( Commerce )

Paper No. : ALTE (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)*   Explain the significance of the title, *The Lion's Skin* with reference to the character of Captain Forestier.

( *Turn Over* )

*Or*

(ii) What do the lamp and the doll's house symbolize in the story, *The Doll's House* by Katherine Mansfield?

(b) (i) Describe Mr. Behrman as a person. How did he save Johnsy's life?

*Or*

(ii) How did Henry Adams come to London? Bring out the difference in the way he is treated by people before and after he receives the million pound note.

(c) (i) What differences are observed by Nirad C. Chaudhuri between Indians and Englishmen with regard to money? What does he appreciate about the English people?

*Or*

(ii) Explain the main point of Huxley's argument in his essay, *The Method of Scientific Investigation.*

( 3 )

( Communication Skills )

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

   (a)   Draft an advertisement for a billboard to be displayed on walls and strategic locations giving information to the public about an Education Fair being organized for students. Mention the date, time, venue and special features of the event.

   (b)   Your family is putting up a plot of land and property for sale. Write an advertisement giving appropriate details to be published in the local newspapers.

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# 2 0 1 7

( 4th Semester )

## ALTERNATIVE ENGLISH

( Commerce )

Paper No. : ALTE (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) Give a description of Eleanor Forestier.

*(b)* Why does Else smile at the end of the story?

(c) Who was Lloyd Hastings? What did he want from Henry Adams?

(d) How and where did Sue and Johnsy meet?

(e) Why do middle class people in England feel shy to go into Bond Street shops?

(f) What kind of logic does Huxley define by taking the example of green apples?

SECTION—II

( **Grammar** )

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

(a) Three of his answers were ...............................
(correct).

(b) Don't forget to ............................... (heat) the
oven before baking the cake.

(c) I just can't believe it! This story is

............................... (believable!)

(d) We should ............................... (view) the
meeting minutes.

*(e)* The two of them cannot get along. They always

.............................. (agree).

*(f)* That    wasn't    what    he    meant. . You

.............................. (understood) him.

*(g)* Some TV shows are totally ..............................
(suitable) for children.

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

*(a)* She is .............................. (doubt) about her
performance next week.

*(b)* Mrs.    Gupta    cannot    sit    still.    She    is

very .............................. (rest).

(c) My dog is so cute and .............................. (love).

(d) Everybody enjoys the companionship of .......................... (humour) people.

(e) He wants to be a .............................. (mathematics) when he grows up.

(f) .............................. (free) of speech is a fundamental right.

(g) I couldn't find any .............................. (weak) in his theory.

★★★