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(2nd Semester)

COMMERCE

Paper : 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 deflation? What are the causes of deflation? Suggest some measures to control deflation. 2+4+3=9

Or

- (b) Explain profit maximization theory of firm. 9

2. (a) What is elasticity of demand? Briefly explain the different types of elasticity of demand. 2+7=9

Or

- (b) (i) Explain the determinants of price elasticity of demand. 5
- (ii) Given the price of good X equal to ₹ 15, the quantity demanded is 100 units. When the price of the good increases to ₹ 25, quantity demanded falls to 60 units. Calculate price elasticity of demand. 4

3. (a) What is short-run production function? Explain the different stages of law of variable proportion. 2+7=9

Or

- (b) What is cost? Explain the different types of short-run cost curves with diagram. 2+7=9

4. (a) What is monopoly? Explain how price and output are determined in a monopoly market. 2+7=9

Or

- (b) What is monopolistic market? Explain the features of monopolistic market. 2+7=9

5. (a) Explain how wage is determined in a perfect competitive market. 9

Or

- (b) What is Say's law? Explain in brief the propositions and implications of Say's law. 2+4+3=9

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BA / BSc / BCom / BBA / BCA
2nd Semester End Term
Examination, **2022**

Subject

Paper

INSTRUCTIONS TO CANDIDATES

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DESCRIPTIVE TYPE

Booklet No. B

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2 0 2 2

(2nd Semester)

COMMERCE

Paper : 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 brackests provided : 1×10=10

(a) The shortage of anticipated expenditure compared with the available output of goods and services at base prices refer to

(i) deflation ()

(ii) inflation ()

(iii) reflation ()

(iv) None of the above ()

(b) The theory of 'revenue maximization' was propounded by

(i) W. J. Baumol ()

(ii) Robin Marris ()

(iii) David Ricardo ()

(iv) Chamberlin ()

(c) If the percentage increase in the quantity of a good demanded is smaller than the percentage fall in its price, then the elasticity of demand is

(i) > 1 ()

(ii) $= 1$ ()

(iii) < 1 ()

(iv) $= 0$ ()

(d) The cross-elasticity of demand of unrelated goods is

(i) one ()

(ii) zero ()

(iii) infinite ()

(iv) None of the above ()

- (e) In modern concept, the long-run AC curve is
- (i) U-shaped ()
 - (ii) L-shaped ()
 - (iii) upward sloping ()
 - (iv) downward sloping ()
- (f) The concept of 'fixed cost' is relevant to
- (i) short period ()
 - (ii) long period ()
 - (iii) both short and long periods ()
 - (iv) None of the above ()
- (g) Under perfect competition, the AR curve of the firm is
- (i) downward sloping ()
 - (ii) vertical ()
 - (iii) horizontal ()
 - (iv) U-shaped ()

- (h) The price rigidity exists in
- (i) monopoly ()
 - (ii) perfect competition ()
 - (iii) oligopoly ()
 - (iv) monopolistic competition ()
- (i) According to whom 'rent is a differential surplus'?
- (i) David Ricardo ()
 - (ii) Alfred Marshall ()
 - (iii) Robbins ()
 - (iv) None of them ()
- (j) The concept of 'liquidity preference' is the desire of public to hold
- (i) cash ()
 - (ii) capital ()
 - (iii) shares ()
 - (iv) None of the above ()

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

(a) During inflation, purchasing power of money falls.

(T / F)

(b) Tea and coffee are the examples of complementary goods.

(T / F)

(c) Isoquant is convex to the origin due to decreasing MRTS.

(T / F)

(d) Price discrimination is generally possible in oligopoly market.

(T / F)

(e) 'Quasi-rent' concept is relevant only for short period.

(T / F)

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

(a) Reflation

(b) Complementary goods

(c) Increasing returns to scale

(d) Expansion path

(e) Selling cost

(f) Collusive oligopoly

(g) Gross profit and net profit

(h) Liquidity preference

2 0 2 2

(2nd Semester)

COMMERCE

Paper : 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 consideration. Critically discuss the essential elements of consideration. 2+7=9

Or

- (b) State and briefly explain the various modes in which a contract may be discharged. 9

2. (a) Discuss the rules regarding delivery under the Sale of Goods Act, 1930. 9

22L/241a

(*Turn Over*)

Or

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

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

Or

(b) Discuss the grounds on which partnership can be dissolved. 9

4. (a) Distinguish between Promissory Note and Bill of Exchange. 9

Or

(b) What is crossing of a cheque? Elaborate on the different types of crossing of cheque. 2+7=9

5. (a) Explain the salient features of the Consumer Protection Act, 1986. 9

Or

(b) What is FEMA? Explain the main provisions of FEMA. 2+7=9

Subject Code : CL/BC-203

Booklet No. **A** 420

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Booklet No. B

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/241

2022

(2nd Semester)

COMMERCE

Paper : 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 : $1 \times 10 = 10$

(a) An agreement made by the action/behaviour of parties is

(i) oral agreement ()

(ii) written agreement ()

(iii) express agreement ()

(iv) implied agreement ()

(b) An agreement in restraint of marriage is

(i) void ()

(ii) voidable ()

(iii) lawful ()

(iv) valid ()

(c) Offer is defined in

(i) Section 2(a) ()

(ii) Section 2(b) ()

(iii) Section 2(c) ()

(iv) Section 2(d) ()

(d) Dishonour of a bill of exchange may be done by

(i) non-acceptance ()

(ii) non-payment ()

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

(iv) None of the above ()

(e) 'Goods' are defined under Section ____ of the Sale of Goods Act, 1930.

(i) 2(6) ()

(ii) 2(7) ()

(iii) 3(6) ()

(iv) 3(7) ()

(f) 'Consumer' is defined under Section ____ of the Consumer Protection Act, 1986.

(i) 2(a) ()

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

(iii) 2(b) ()

(iv) 2(1)(e) ()

(g) When a partner agrees to share his profits in a partnership firm with an outsider, such an outsider is called

(i) actual partner ()

(ii) sub-partner ()

(iii) nominal partner ()

(iv) silent partner ()

(h) In a contract of guarantee, the person who gives the guarantee is called

(i) principal debtor ()

(ii) creditor ()

(iii) surety ()

(iv) None of the above ()

(i) Unpaid seller is defined as one to whom

(i) part of the amount is due ()

(ii) whole of the amount is due ()

(iii) whole or part of the amount is due ()

(iv) None of the above ()

(j) Discharge of a contract may be done by

(i) mutual consent or agreement ()

(ii) performance ()

(iii) breach of the contract ()

(iv) All of the above ()

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

(a) Attempted performance of a contract is also known as 'tender'.

(T / F)

(b) The remedy of 'specific performance' is allowed in case of breach of all types of contracts.

(T / F)

(c) Registration of a partnership firm is compulsory under the Partnership Act, 1932.

(T / F)

(d) A 'holder in due course' gets the instrument free from all defects.

(T / F)

(e) Sale of goods is concerned with movable goods only.

(T / F)

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

(a) Unpaid seller

(a) Attempted performance of a contract is also known as tender.

(b) The return of specific performance is allowed in case of breach of all types of contracts.

(c) Registration of a partner is compulsory under the Partnership Act, 1932.

(d) A holder in due course gets the instrument free from all defects.

(e) Sale of goods is concerned with movable goods only.

(b) Capacity of parties

(b) Types of parties

(c) Auction sale

(c) Negotiable instrument

(d) Types of partnership

(e) Negotiable instrument

CL/BC-203/241

(f) Rights of consumers

2022

(2nd Semester)

COMMERCE

Paper : 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) What is meant by accounting theory?
Explain the approaches to accounting
theory. 2+7=9

Or

- (b) Explain the root of accounting theory. 9

2. (a) Distinguish between Statement of
Affairs and Balance Sheet. 9

22L/242a

(*Turn Over*)

Or

(b) Prepare Deficiency A/c from the following information : 9

	₹
Capital on 01.01.2014 (Opening)	800
Bad Debts	1,000
Profit on sale of assets	200
Household expenses	300
Loss on bills discounted	200
Profit in first two years	500
Loss on sale of assets	500
Interest on capital	100
Loss through speculation	200
Surplus from private property	400
Gift declared void	100
Loss in next three years	1,800

3. (a) What is meant by Branch Account? What are the main types of branches from accounting point of view? Give any three objectives of branch accounting.

2+4+3=9

Or

(b) Following purchases were made by a business house having three departments :

Department A—1000 units] at a total cost of ₹ 1,00,000
Department B—2000 units	
Department C—2400 units	

Stocks on 1st January were

Department A—120 units

Department B—80 units

Department C—152 units

The sales were

Department A—1020 units @ ₹ 20.00 each

Department B—1920 units @ ₹ 22.50 each

Department C—2496 units @ ₹ 25.00 each

The rate of gross profit is the same in each case.

Prepare Departmental Trading A/c. 9

4. (a) Give the specimen of Revenue Accounts as per IRDA. 9

Or

- (b) On 31st December, 2014, the following Balances stood in the books of Lakshmi Bank Ltd., after preparation of its Profit & Loss A/c :

	₹
Share Capital :	
Issued and Subscribed	40,00,000
Reserve Fund	62,00,000
Fixed Deposits	4,26,00,000
Savings Bank Deposits	1,90,00,000
Current A/c	2,32,00,000
Money at call and short notice	18,00,000

	₹
Investments	2,50,00,000
Profit & Loss A/c (Cr.) as on 01.01.2014	13,50,000
Dividend for 2014	4,00,000
Premises	29,50,000
Cash in Hand	3,80,000
Cash with RBI	1,00,00,000
Cash with other Banks	60,00,000
Bills Discounted and Purchased	38,00,000
Loans, cash credit and overdraft	5,10,00,000
Bills Payable	70,000
Unclaimed Dividend	60,000
Rebate on Bills Discounted	50,000
Short Loans (Borrowed from other banks)	47,50,000
Furniture	11,64,000
Other Assets	3,36,000
Net Profit for 2014	15,50,000

Prepare Balance Sheet of the Bank on
31st December, 2014.

9

5. (a) What is self-balancing ledger? How are ledgers made self-balancing? Distinguish between self-balancing ledger and sectional balancing ledger.

2+3+4=9

22L/242a

(Continued)

Or

(b) Following particulars are obtained from the books of a company for the year ended 31st March, 2014 :

	₹
Cash sales	25,000
Credit purchases	2,80,000
Collection from Debtors	4,25,000
Bills Receivable received	20,000
Discount received	2,500
Cash purchases	12,000
Bills Payable paid	6,500
Recovery of Bad Debts	1,500
Bills Receivable discounted with bank	8,000
Interest charged on overdue Customer's A/cs	1,200
Endorsed Bills Receivable dishonoured (noting charges ₹ 75)	5,500
Bills Payable accepted	16,000
Bills Receivable dishonoured	2,500
Return Inward	8,500
Payments to Creditors	1,62,000
Discount Allowed	3,000
Debtor's cheque returned dishonoured	7,500
Credit sales	4,90,000
Bills Receivable collected	10,000
Return Outward	3,700
Bills Receivable endorsed to Creditors	7,900

(6)

	₹
Overpayments refunded by suppliers	600
Bad Debts	1,000
Opening Balances :	
Sundry Debtors	78,000
Sundry Creditors	85,000

You are required to prepare the Total Debtors A/c and Total Creditors A/c. 9

Subject Code : FA-2/BC-204

Booklet No. **A** 359

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2022

(2nd Semester)

COMMERCE

Paper : BC-204

(Financial Accounting—II)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the 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) The unsecured creditors having a prior claim over the others are called preferential creditors.

(T / F)

(b) Accounting is not in a finished form; it is in the process of evolution.

(T / F)

(c) Selling expenses should be divided among the different departments on the basis of sales.

(T / F)

(d) A banking company cannot grant loan to any of its directors.

(T / F)

(e) With the introduction of self-balancing system there will be no errors in the ledgers.

(T / F)

2. Choose the correct answer and place its code in the brackets provided : 1×10=10

(a) Accounting provides information on

(i) cost and income for managers

(ii) company's tax liability for a particular year

(iii) financial conditions of an institution

(iv) All of the above []

(b) The father of scientific management is

(i) Henri Fayol

(ii) John Adair

(iii) Frederic F. Taylor

(iv) Peter Drucker []

(c) Under the Provincial Insolvency Act, rent due to the landlord is preferential for a period of

- (i) one month
- (ii) three months
- (iii) four months
- (iv) Rent is not preferential []

(d) The monetary limit of salary per clerk as preferential, under the Presidency-Town Insolvency Act is

- (i) ₹ 100
- (ii) ₹ 200
- (iii) ₹ 300
- (iv) ₹ 400 []

(e) A branch which keeps complete record of all accounting transactions is called

- (i) a foreign branch
- (ii) a local branch
- (iii) an independent branch
- (iv) a dependent branch []

(f) Departments are located in

- (i) same place
- (ii) another city
- (iii) outside state
- (iv) foreign country []

(g) As per Section 17 of Banking Regulation Act, every bank has to transfer of profit to statutory Reserve Fund Account is

- (i) 10%
- (ii) 15%
- (iii) 20%
- (iv) 25% []

(h) A valuation Balance Sheet is prepared by a

- (i) Trading Company
- (ii) Banking Company
- (iii) Life Insurance Company
- (iv) Electricity Company []

(i) Goodwill Account is opened in

- (i) debtors ledger
- (ii) creditors ledger
- (iii) general ledger
- (iv) None of the above []

(j) Self-balancing is a system of

- (i) keeping ledgers
- (ii) preparing Trial Balance
- (iii) preparing Final Accounts
- (iv) recording Journal Entries []

(5)

SECTION—II

(Marks : 10)

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

(a) Features of Accounting Theory

(b) Insolvency Account

(c) Advantages of Departmental Accounts

(d) IRDA

FA-2/BC-204/242

(e) Errors affecting self-balancing ledgers

2022

(2nd Semester)

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) Define holding company. Explain the main purpose of preparing a Consolidated Balance Sheet. 4+10=14

Or

- (b) From the Balance Sheets of A Ltd. and B Ltd. as on 31st March, 2020 and information given below, prepare a Consolidated Balance Sheet : 14

Balance Sheets of A Ltd. and B Ltd.

Particulars	A Ltd. ₹	B Ltd. ₹
I. Equity and Liabilities :		
1. Shareholders' Funds :		
(a) Share Capital :		
Shares of ₹ 10 each	5,00,000	1,00,000
(b) Reserves and Surplus :		
General Reserve	60,000	30,000
Surplus A/c	2,00,000	60,000
2. Current Liabilities :		
Bills Payable	—	15,000
Creditors	1,10,000	60,000
Total Equity and Liabilities	<u>8,70,000</u>	<u>2,65,000</u>

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(Turn Over)

<i>Particulars</i>	<i>A Ltd.</i> ₹	<i>B Ltd.</i> ₹
II. Assets :		
1. Fixed Assets :		
Tangible Assets	4,00,000	60,000
2. Non-Current Investment :		
Shares in B Ltd., 7500 at cost	75,000	—
3. Current Assets :		
Stock	3,00,000	1,20,000
Debtors	75,000	85,000
Bills Receivables	<u>20,000</u>	<u>—</u>
Total Assets	<u>8,70,000</u>	<u>2,65,000</u>

Additional Information :

- (i) The bills accepted by B Ltd. are all in favour of A Ltd.
- (ii) The stock of A Ltd. includes ₹ 25,000 bought from B Ltd. at a profit to the later of 20% of sales
- (iii) All the surplus of B Ltd. have been earned since the shares were acquired by A Ltd. but there was already the reserve of ₹ 30,000 at that date
2. (a) What do you mean by amalgamation in the light of the Accounting Standard-14 on accounting for amalgamation issued by the Institute of Chartered Accountants of India? Explain the types of amalgamation according to AS-14. 6+8=14

Or

(b) A Ltd. acquired the undertaking of B Ltd. on 31.03.2020 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 :

Particulars	A Ltd. ₹	B Ltd. ₹
I. Equity and Liabilities :		
1. Shareholders' Funds :		
(a) Share Capital :		
Equity Shares of ₹ 10 each fully paid up	2,50,00,000	1,50,00,000
(b) Reserves and Surplus :		
General Reserve	1,20,00,000	18,00,000
Development Rebate Reserve		
Workers' Compensation Fund	15,00,000	24,00,000
Surplus A/c	20,00,000	90,00,000
2. Current Liabilities :		
Sundry Creditors	25,00,000	50,00,000
Bills Payable	20,00,000	45,00,000
Total Equity and Liabilities	<u>4,50,00,000</u>	<u>3,77,00,000</u>
II. Assets :		
1. Fixed Assets :		
Land and Building	1,20,00,000	80,00,000
Plant and Machinery	2,00,00,000	1,80,00,000
Furniture and Fixtures	10,00,000	20,00,000
2. Current Assets :		
Stock	55,00,000	40,00,000
Debtors	45,00,000	40,00,000
Bank Balances	20,00,000	17,00,000
Total Assets	<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 and also prepare the Balance Sheet of A Ltd. after amalgamation assuming that Development Rebate Reserve and Workers' Compensation Fund of B Ltd. are required to be continued in the books of A Ltd. 7+7=14

3. (a) What do you mean by Analysis of Financial Statements? Explain the types of Financial Statement Analysis. Briefly discuss the techniques that can be used in connection with analysis and interpretation of financial statements.

2+6+6=14

Or

- (b) From the following Balance Sheet of Naruto Enterprise Ltd. as on 31st March, 2019, calculate—

- (i) current ratio;
- (ii) quick ratio;
- (iii) absolute liquidity ratio;
- (iv) debt to equity ratio;
- (v) proprietary ratio;

- (vi) capital gearing ratio;
- (vii) fixed assets ratio. 2×7=14

Particulars

I. Equity and Liabilities :	
1. Shareholders' Funds :	
(a) Share Capital :	
Equity Share Capital	10,00,000
6% Preference Share Capital	5,00,000
(b) Reserves and Surplus :	
General Reserve	1,00,000
Surplus A/c	4,00,000
2. Non-Current Liabilities :	
12% Debentures	5,00,000
3. Current Liabilities :	
Creditors	80,000
Bills Payable	1,24,000
Bank Overdraft	20,000
Provision for Taxation	1,76,000
Total Equity and Liabilities	<u>29,00,000</u>
II. Assets :	
1. Non-Current Assets :	
Land and Building	7,00,000
Plant and Machinery	6,00,000
Furniture and Fixtures	1,00,000
Goodwill	5,00,000
2. Current Assets :	
Marketable Securities	20,000
Stock	6,00,000
Debtors	1,50,000
Bills Receivable	30,000
Bank	2,00,000
Total Assets	<u>29,00,000</u>

4. (a) Why is Cash Flow Statement preferred as compared to Funds Flow Statement? Explain the main points of differences between the Cash Flow Statement and Funds Flow Statement. 6+8=14

Or

(b) From the following Balance Sheets extracted from R. C. Company Ltd. as on 31st December, 2019 and 2020, you are required to prepare Cash Flow Statement :

14

<i>Particulars</i>	<i>2019</i>	<i>2020</i>
	₹	₹
I. Equity and Liabilities :		
1. Shareholders' Funds :		
(a) Share Capital :		
Shares of ₹ 100 each	1,00,000	1,10,000
(b) Reserves and Surplus :		
General Reserve	14,000	18,000
Surplus A/c	4,000	3,000
2. Non-Current Liabilities :		
Provision for Tax (Treating it as non-current)	16,000	18,000
3. Current Liabilities :		
Creditors	8,000	5,400
Bills Payable	1,200	800
Total Equity and Liabilities	<u>1,43,200</u>	<u>1,55,200</u>
II. Assets :		
1. Non-Current Assets :		
Building	40,000	38,000
Plant and Machinery	37,000	36,000
2. Investment (Long-term)	10,000	21,000
3. Current Assets :		
Stock	30,000	23,400
Debtors	17,600	18,400
Bills Receivable	2,000	3,200
Cash at Bank	6,600	15,200
Total Assets	<u>1,43,200</u>	<u>1,55,200</u>

22L/243

(Continued)

Additional Information :

- (i) Depreciation charged on Plant was ₹ 4,000
- (ii) Provision for Taxation of ₹ 8,000 was made during the year 2020
- (iii) Interim Dividend of ₹ 8,000 was paid during the year
- (iv) A piece of Machinery was sold for ₹ 8,000 during the year 2020. It had costed ₹ 12,000, depreciation of ₹ 7,000 has been provided on it

5. (a) What do you mean by Accounting for changing prices? Explain the main approaches to price level accounting at present. 4+10=14

Or

- (b) Following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the Liquidator's Final Statement of Account allowing for his remuneration @ 3% on the amount realised 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 up

Assets realised ₹ 3,08,000
excluding amount realised by sale
of securities held by Secured
Creditors

Secured Creditors (securities
realised ₹ 54,000)—₹ 46,000

Unsecured Creditors—₹ 2,83,698

Preferential Creditors—₹ 8,000

Debentures having floating charge
on the assets—₹ 1,00,000

Expenses of liquidation amounted
to ₹ 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.
