

MCom Sem.-3 HPP (AAA) Examination

CC II

Financial Acct & Auditing-I

May 2022

Time : 2-00 Hours]

[Max. Marks : 50

Section I: Attempt Any 2 Questions out of 4Section II: CompulsorySection: I

- Q1. A) Discuss about Accounting Standard 2: Inventory Valuation. (10)
 B) Explain in brief Accounting Standard 9: Revenue Recognition. (10)
- Q2. A) From the following Profit and Loss Account of MYMY Ltd. for the year ending on 31-3-2021, you are required to calculate Managerial Remuneration. Also Calculate Maximum remuneration that can be paid to part time Director, assuming that the company has not appointed a Managing Director or a Whole-Time director (10)

Particulars	₹	Particulars	₹
To Staff Salaries and Bonus	1,50,000	By Gross Profit	9,36,000
" Administrative and Selling Exp	1,20,000	" Profit on Sale of Machinery	42,000
" Depreciation (Includes Development Rebate of ₹ 18,000)	60,000	" Dividend (TDS ₹ 13,800)	47,520
" Loss on Sale of Investment	12,000	" Subsidy from State Government	12,480
" Scientific Research Laboratory (New Laboratory)	30,000		
" Donation to a charitable Institution	12,000		
" Loss on Sale of Furniture (WDV ₹ 4,200)	3,000		
" Debenture Interest	15,000		
" Debenture Trustee Remuneration	9,000		
" Debenture Issue Expense Written off	6,000		
" Bad Debts Reserve	21,000		
" Provision for Taxation	1,20,000		
Net Profit	4,80,000		
Total	10,38,000	Total	10,38,000

Additional Information:

- The original Cost of Machinery Sold during the year was ₹ 72,000 and its written down value was ₹ 42,000.
- Depreciation allowed u/s 350 was ₹ 30,000
- The estimated liability for the Staff Bonus for the Current year is ₹ 6,000 has not been recorded in the books.

- B) Explain in the brief the Reporting of Audit Opinion. (10)
- Q3. A) Write a note on Container Stock Account. (10)
 B) Human Ltd. had a stock of 9,000 containers as on 1st April 2020 while the customers has on hand 18,000 containers. The company Purchased these containers at ₹ 10 per unit and charged them to Customer at ₹ 12. A Credit of ₹ 8 per unit is given to Customer when they return them. During the year the company purchase 12,000, 27,000 Containers were sent to Customers while 22,800 Containers were returned by the Customers. 210 Containers were destroyed and 120 Containers were sold as Scrap at ₹ 144.
 At the end of the year there were 15,000 Containers in the hands of the Customers for which return period has not expired. All the stocks are to be valued at ₹ 5. (10)
 Prepare Container Stock Account and Container Trading Account for the year ending on 31-3-2021

- E 140-2
- Q4. A) Write a note on Hire Purchase Trading Account. (10)
B) Give meaning of Lease. Explain Characteristics of lease in brief. (10)

Section II

- Q5. Choose the correct answer from the following (Any 10) (10)
1. From which date Indian Accounting Standard No. 9 is came into force mandatory to the sole proprietorship and partnership firm?
(a) 1-04-1993 (b) 104-1997 (c) 1-04-1992 (d) 1-04-2001
 2. Government grant related to revenue are:
(a) Credited to profit & loss account (b) Deducted from related expenses
(c) Above (a) or (b) allowed (d) All the above
 3. Which of the following should not be included in the cost of inventories as per AS 2?
(a) Abnormal amount of wasted materials (b) Freight inward
(c) Cost to bring inventory in their present location & condition (d) None of the above.
 4. From the following which is the non-current assets?
(a) Fixed assets and Debtors (b) Debtors and Inventory
(c) Fixed Assets and Short term Investment (d) Fixed Assets and Long term investment
 5. Debtors are recorded under which head of balance sheet as per Schedule 3 of Companies Act 2013.
a. Trade Payables b. Trade Receivables
c. Other Non-Current Assets d. None of the above
 6. An independent audit provides assurance that management has presented a ___ of a companies financial performance and position
a. true and fair view b. Fairness c. False Data d. None of the above
 7. The auditor issues a clean report when it concludes that the financial statements are free from material misstatement.
a. True b. false
 8. What is the maximum limit of managerial remuneration in Public Ltd. Company as per Company's Act 2013?
(a) 1% (b) 3% (c) 5% (d) 11%
 9. At present which schedule is used for preparation of public Ltd. Company's final Account?
(a) I (b) II (c) III (d) VI
 10. Which one of the following is not considered as an advantage of leasing?
(a) It provides full finance. (b) Savings of recurring cost of raising finance.
(c) It provides flexibility to the lessee. (d) All of the above.
 11. The amount spent on repair is normally increases cost of packages and hence it is debited to _____.
(a) Container Trading A/c (b) Container Stock A/c
(c) Container Suspense A/c (d) None of the above.
 12. Container retained by customer is shown on _____ side of container stock A/c under stock & suspense method.
(a) Dr Side (b) Cr Side (c) Not shown in A/c (d) None of the above

Best Wishes
