

Seat No. : _____

SA-134

September-2020

M.Com., (HPP) Sem.-IV (AAA)

CC-16 : Accountancy

(Financial Accounting and Auditing – II)

Time : 2 Hours]

[Max. Marks : 50

- Instructions :** (1) All Questions in **Section I** carry equal marks.
(2) Attempt any **TWO** questions in **Section I**.
(3) Question V in **Section II** is **COMPULSORY**.

SECTION – I

1. The Balance Sheets of X Ltd. and Y Ltd. as on 31st March, 2019 are as under : 20

Liabilities	X Ltd. (₹)	Y Ltd. (₹)	Assets	X Ltd. (₹)	Y Ltd. (₹)
Equity Share Capital ₹ 100 each, fully paid up	10,00,000	5,00,000	Machinery	5,00,000	2,50,000
Profit and Loss A/c	3,00,000	1,50,000	Vehicles	80,000	20,000
Creditors	2,00,000	3,50,000	Furniture	20,000	5,000
			Investments :		
			In shares of Y Ltd.	1,25,000	
			In shares of X Ltd.		60,000
			Stock	3,75,000	2,25,000
			Debtors	3,00,000	3,40,000
			Bank Balance	1,00,000	1,00,000
	15,00,000	10,00,000		15,00,000	10,00,000

X Ltd. holds 1,000 shares of Y Ltd. and Y Ltd. holds 500 shares of X Ltd. Both companies decide to amalgamate on following conditions :

- (1) To form a new company named XY Ltd.
- (2) Goodwill of X Ltd. ₹ 2,50,000 and Y Ltd. ₹ 1,25,000.
- (3) The face value of shares of XY Ltd. will be ₹ 10.

Prepare :

- (a) Statement showing.
- (b) Balance Sheet of AB Ltd. after Amalgamation.

2. On 31st March 2019, A purchased 6,000 shares of B Ltd. at ₹ 10 each. On the same date, their Balance Sheets were as under : 20

Liabilities	A Ltd. (₹)	B Ltd. (₹)	Assets	A Ltd. (₹)	B Ltd. (₹)
Equity Share Capital Authorised	4,00,000	1,20,000	Fixed Assets	2,53,000	1,28,000
Issues and fully Paid up 30,000 shares	3,00,000	–	Investments in shares of B Ltd. (Cost Price)	1,00,000	–
Fully paid up 8,000 shares	–	80,000	Stock	30,000	10,000
Capital Reserve	27,000	34,000	Debtors	10,000	10,000
General Reserve	20,000	10,000	Bank	10,000	7,000
Profit and Loss Account	20,000	2,000	Bills receivable (Including ₹ 1,400 worth Bills of B Ltd.)	2,000	
Bills Payable (Including ₹ 1,400 worth Bills of A Ltd.)	–	3,500			
Creditors	35,000	17,500			
Proposed Dividend	3,000	8,000			
	4,05,000	1,55,000		4,05,000	1,55,000

Additional Information :

- (1) On 1st April 2019 B Ltd. has used a part of its Capital Reserve to issue Bonus shares in the ratio of 4 : 1.
- (2) The stock of A Ltd. includes stock worth ₹ 4,800 purchased from B Ltd. B Ltd. has sent the goods after adding 20% profit on cost price.

Prepare a consolidated Balance Sheet as on 1st April, 2019.

3. Discuss in detail the features of EDP Audit, and general EDP Controls. 20
4. Discuss in detail the various aspects of Cost Audit Programme. 20

SECTION – II

5. Select any **one** correct answer out of the options given (any **five**). **10**
- (1) One company takes over another company in
- (a) Amalgamation (b) Absorption
(c) External Reconstruction (d) All of the above
- (2) When the purchase price is more than net assets than the difference is called :
- (a) Goodwill (b) Capital Reserve
(c) General Reserve (d) Reduction in Income
- (3) Which out of the following reserves can be included in the financial report of the purchasing company ?
- (a) General Reserve (b) Capital Reserve
(c) Legal Reserve (d) Dividend Equalization Fund
- (4) Unrecorded profit means :
- (a) Holding company's share in capital reserve of subsidiary company.
(b) Holding company's share in revenue reserve of subsidiary company.
(c) Holding company's share in undistributed revenue reserve of subsidiary company.
(d) All of the above.
- (5) Interim dividend :
- (a) Is to be shown on the liability side of consolidated Balance Sheet.
(b) Not to be shown in the consolidated Balance Sheet.
(c) Is to be shown on the asset side of consolidated Balance Sheet.
(d) None of the above.
- (6) X Ltd. absorbs Y Ltd. on the basis of Internal value of shares. The net assets of both the companies are ₹ 8,40,000 and ₹ 18,00,000 respectively. The share capital of both companies is 60,000 shares and 1,20,000 shares respectively. Y Ltd. holds 20,000 shares of X Ltd. How many shares will X Ltd. give to Y Ltd. ?
- (a) 36,000 (b) 20,000
(c) 56,000 (d) None

- (7) Which of the following is not of the control of EDP application controls ?
- (a) Control over input
 - (b) Control over output
 - (c) Control over processing
 - (d) Control on Management
- (8) CAG stands for
- (a) Controller Auditor of Government
 - (b) Controller Assistant of Government
 - (c) Comptroller and Auditor General of India
 - (d) Controller Auditor Guide.
- (9) What is SAI ?
- (a) Supreme Audit Institute of India
 - (b) Supreme Auditor of India
 - (c) Both (a) and (b)
 - (d) None of the above
- (10) The objective of Management Audit is
- (a) To examine and improve efficiency of Management
 - (b) To report to the Management
 - (c) To reveal shortcoming to the management
 - (d) All of the above
- (11) Cost Auditor is appointed by
- (a) The shareholders
 - (b) The Central Government
 - (c) The Registrar of Companies
 - (d) The Board of Directors
- (12) The concept of Management Audit was coined in
- (a) USA
 - (b) Japan
 - (c) China
 - (d) India
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