

M.Com. HPP (AAA) Semester-4 Examination

CC-16

Financial Accounting & Auditing-II

April-2024

Time : 2-30 Hours]

[Max. Marks : 70

Q.1 The Balance Sheets of Mohan Limited and Pandit Limited as on 31-3-2024 are given below:

Equities and Liabilities	Mohan Ltd.	Pandit Ltd.	Assets	Mohan Ltd.	Pandit Ltd.
Share Capital (Face value ₹10 each)	2,00,000	1,60,000	Goodwill	1,20,000	60,000
Reserves	80,000	2,00,000	Machinery	2,40,000	3,12,000
Profit & Loss Account	-	40,000	Investments	40,000	40,000
Debentures	2,40,000	2,00,000	Stock	40,000	1,00,000
Creditors	1,00,000	60,000	Debtors	1,30,000	1,10,000
Bills Payable	20,000	20,000	Cash	40,000	18,000
			Bills Receivable	30,000	40,000
	6,40,000	6,80,000		6,40,000	6,80,000

It was agreed that Pandit Limited will absorb Mohan Limited on this date.

The purchase consideration was to be discharged by issue of shares in Pandit Limited on the basis of intrinsic values of shares. The face value of shares of Mohan Limited was ₹ 10 per share on which ₹ 5 per share was paid up, whereas the face value of shares of Pandit Limited was ₹ 10 on which ₹ 4 was paid up.

Further details are:

- Debtors of Pandit Limited include ₹ 20,000 due by Mohan Limited.
- All bills payable of Mohan Limited are drawn by Pandit Limited.
- Stock of Mohan Ltd. includes goods valued at ₹ 20,000 purchased from Pandit Ltd. which has sold goods so as to realise 25% profit on sales.

Draft journal entries in the books of Pandit Limited and its opening Balance Sheet.

14

OR

P.T.O

Q.1 The following are the Balance Sheets of Suhana Ltd. and Aman Ltd. as on 31-3-2024:

Equities and Liabilities	Suhana Ltd. (₹)	Aman Ltd. (₹)	Assets	Suhana Ltd. (₹)	Aman Ltd. (₹)
Equity shares of ₹ 100 each fully paid up	40,00,000	20,00,000	Fixed Assets	50,00,000	22,00,000
12% Preference Shares of ₹ 100 each fully paid up	6,00,000	4,00,000	Inventories	12,00,000	8,00,000
General Reserve	20,00,000	8,00,000	Trade Receivables	10,00,000	8,00,000
Investment Allowance Reserve	2,00,000	1,00,000	Cash and cash equivalents	8,00,000	1,00,000
Profit & Loss A/c	6,00,000	3,00,000			
10% Debentures	-	1,20,000			
Trade Payables	6,00,000	1,80,000			
	80,00,000	39,00,000		80,00,000	39,00,000

Suhana Ltd. decided to take over Aman Ltd. on 1st April, 2024 on the following terms:

- (1) Suhana Ltd. will issue 22,000 equity shares of ₹ 100 each fully paid to shareholders of Aman Ltd.
- (2) Suhana Ltd. will issue 4,200 12% preference shares of ₹ 100 each fully paid to Preference shareholders of Aman Ltd.
- (3) Debentures of Aman Ltd. will be exchanged for 12% new debentures so that they will get the same income of interest.
- (4) Investment Allowance Reserve is to be maintained for more 2 years.

Pass the necessary journal entries in the books of Suhana Ltd. after amalgamation on the assumption that the amalgamation is in the nature of merger (Pooling of Interest method) and prepare Suhana Ltd.'s balance sheet as on 1st April, 2024.

14

Q.2. Bharat Ltd acquired 900 shares in Gujarat Ltd. on 1-1-2023. The following are the Balance Sheets of two companies as on 31-12-2023.

Liabilities	Bharat Ltd Rs.	Gujarat Ltd Rs.	Assets	Bharat Ltd Rs.	Gujarat Ltd Rs.
Share Capital			Land – Building	100000	75000
Shares of Rs.100 each	200000	100000	Stock	40000	60000
Reserves	30000	20000	Shares in Gujarat Ltd	110000	-
Profit and loss A/c	20000	15000	Debtors	30000	20000
Creditors	30000	20000			
	280000	155000		280000	155000

On 1-1-2023 the profit and loss a/c and reserve of Gujarat Ltd showed credit balance of Rs.12000 and Rs.5000 respectively included in the Debtors of Bharat Ltd. is Rs.5000 due from Gujarat Ltd.

From the above information, prepare a consolidated Balance Sheet as on 31-12-2023.

Q.2(A) Explain Profit dealt with and not dealt with. (07 Marks)

Q.2(B) Explain Advantages of Holding Company. (07 Marks)

Q.3. What is EDP? Explain Stages of operation and Component parts of computers. (14 Marks)

OR

Q.3.What is meaning of government Audit? Explain Duties and powers of comptroller and auditor general of India. (14 Marks)

Q.4. Discuss Difference between Financial audit and Cost audit. (14 Marks)

OR

Q.4. Define Management audit. Explain Objective of Management Audit. (14 Marks)

Q.5.MCQ (Any Seven) (14 Marks)

1. The excess of purchase consideration over net assets is -
 - A Capital reserve
 - B Goodwill
 - C Revenue loss
 - D General reserve
2. According to AS-14, purchase consideration is payable to-
 - A Debenture holders
 - B Shareholders
 - C Creditors
 - D Shareholders
3. Unrealized profit in stock-
 - A Add in stock
 - B Subtract from stock
 - C Add in profit & loss
 - D None of these
4. As per AS-14 purchase consideration is to be discharged in the form of-
 - A Shares
 - B Cash
 - C Debenture
 - D Both A & B
5. Minority does not include -
 - A Equity share capital
 - B Preference share capital
 - C Debenture
 - D All of these
6. The concept of Management Audit was coined in -

Not 04

- A India
B Australia
C USA
D Sri Lanka
7. Who can be appointed as cost auditor from the following
A Cost Accountant
B Chartered Accountant
C Both (A) and (B)
D None of the above
8. Which one is not the scope of Management Audit?
A Efficiency Audit
B Propriety Audit
C Cost Audit
D None of the above
9. Which of the following is computer language ?
A FORNET
B COBOL
C SCALE
D None of the above
-
10. Memory storage unit is a part of -
A Input unit
B Output unit
C CPU
D None of the above
11. Cost audit was first time introduced in India in-
A 1956
B 1960
C 1965
D 2008
12. How many sections are in Government Accounting?
A 3
B 4
C 5
D 6

—X—