

**M.Com. (HPP) (AAA) Semester-3 Examination**  
**CC-11**

**Financial Accounting & Auditing-I**  
**March-2024**

Time : 2-30 Hours]

[Max. Marks : 70

Q.1. The company deals in three products which are A, B and C which are neither similar nor interchangeable. At the time of closing of its accounts for the year 20X1-20X2, the Historical Cost and Net Realizable Value of the items of closing stock are determined as under :-

(14Marks)		
Items	Historical Cost (₹ in lakhs)	Net Realizable Value(₹ in lakhs)
A	40	28
B	32	32
C	16	24

What will be the value of CLOSING STOCK as per IND AS-2 "Inventory Valuation" ?

OR

Q.1. What is Accounting Standard? State its importance.

Q.2 . Nocil Limited employs a Manager and three whole time directors. It pays 5% commission to the manager and 2% to each whole time director. The commission payable to the manager is calculated on the profit left after charging his commission and commissions of whole time directors, and commission payable to whole time directors are calculated on profit left after charging their commission and commission of manager.

The following is the Profit and Loss Account of the Company for the year ended 31st March, 2012

	Rs.		Rs.
To Administrative and selling expenses	13080	By Gross Profit	60000
To Staff salaries and bonus	0	By Subsidy from the state Govt.	0
To Development rebate reserve	60000	By Profit on sale of plant (Cost Rs.240000 and realised Rs.280000)	80000
To Income-tax	16000		60000
To Tax on abnormal profit	10000		
To Managerial remuneration	1000		
To Depreciation (with extra Shift Depreciation of Rs. 3,000)	30000		
To Scientific research exp. (New laboratory established)	10000		
To Loss on Sale of Investments	0		
	10000		

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To Penalty paid	2000		
To Net profit	1000		
	37920		
	0		
	<u>74000</u>		<u>74000</u>
	0		0

Other Information:

(1) Administrative and selling expenses included the cost of construction of a new show room Rs. 10,000.

(2) Staff bonus and Salaries included bonus paid to staff on account of last year Rs. 4,600

(3) Bonus estimated for current year Rs. 4,800 has not been brought into account.

You are required to calculate managerial remuneration from the above information.

OR

Q.2. prepare Balance sheet Statement of a Company in accordance with the Companies Act, 2013 with imaginary figures.

(14Marks)

Q.3 Dipak Trader sell the goods in special containers. Containers are charged out at Rs.300 each to the customers and credited at Rs.180 each, if returned in good condition within one month. For stock taking purpose, all containers are valued at Rs.144 each. From the following information, prepare containers trading account and containers provision account in the books of the firm:

Opening stock:	Nos.
Containers on hand	1700
Containers with customers	850
Containers purchased at Rs.168 during the year 2008-09	3200
Containers sent to customers during the year	5000
Containers returned by customers during the year	2800
Containers retained by customers during the year	2400
Containers scrapped and sold at Rs.54 each	120
Containers cost in an accident	30

(14Marks)

OR

Q.3. which account is prepared for recording transactions relating to non- returnable and when separate charge is not made?

(14Marks)

Q.4. Parekh stores sells goods on hire purchase system after adding 20% profit on cost. From the following calculate missing figures and find out profit by preparing hire purchase trading account:

(14Marks)

2012		Rs.
Jan.1	Stock at the shop	80000
	Instalments due	25000
	Transactions during the year .	
	Cash received from customers	282000
	Goods purchased during the year	245000

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	Goods repossessed valued at	2800
	( hire purchase instalment, unpaid Rs.9000)	
Dec.31	Stock at the shop ( Cost price)	110500
	Instalments due	42000
	Instalment not due	148500

OR

Q.4 Explain the benefits and limitations of leasing.

**(14Marks)**

Q.5 MCQ (Any Seven out of Twelve) ( Each MCQ 2 Marks)

**(14 Marks)**

1).What is the name of IND AS-23 ?

- A. Inventories
- B. Borrowing Costs
- C. Related Party Disclosures
- D. Earnings Per Share

2).What is the full form of MCA?

- A. Monetary Chain of Account
- B. Ministry of Corporate Affairs
- C. Ministry of Crime adjustments
- D. Ministry Of Company Allowances

3).Which of the following expenses is admissible for deduction while calculating profit for managerial remuneration?

- A. Loss on sale of Investment
- B. Depreciation
- C. Bad debt reserve
- D. Provision for taxation

(4) Current assets are also known as:

- A. Cash
- B. Assets
- C. Invested capital
- D. Working capital

(5) What is the full form of ASB ?

- A. Accounting Standard Board
- B. Accounting Standard Base
- C. Accounting Standard Bureau
- D. None of the above

(6) Which report gives a review on the profitability of a business?

- A. Statement of changes in equity
- B. Cash flow statement

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- C. Balance sheet
- D. Income statement

(7) What is hire purchase Debtors ?

- A. Due but not received amount
- B. Not due and not received amount
- C. Due and received amount
- D. None of the above

(8) When goods sold on Hire-Purchase are repossessed, Hire Purchase Trading Account is \_\_\_\_\_.

- A. Credited with estimated price or cost price
- B. Credited with unpaid instalment
- C. Debited with unpaid instalment
- D. None of these

(9) Which of the following rate is the maximum managerial remuneration rate as per the Companies Act ?

- A. 11%
- B. 10%
- C. 5%
- D. None of the above

(10) Which of the following is an advantage of leasing?

- A. Not flexible
- B. Flexible
- C. No benefit of residual value
- D. High cost of leasing

(11) Which of the following is a Finance Cost?

- A. interest expenses
- B. other borrowing cost
- C. Applicable net loss on foreign currency transaction
- D. All of the above.

(12) Who prepare and disclose Accounting Standards?

- A. ICAI
- B. Central Government
- C. RBI
- D. State Government