

## END TERM EXAMINATION

FOURTH SEMESTER [B.COM] MAY - JUNE 2017

**Paper Code: B.COM-202**

**Subject: Corporate Accounting**

**Time: 3 Hours**

**Maximum Marks: 75**

**Note: Attempt any five questions including Q no.1 which is compulsory.**

Q1 Write short notes on the following:- (5x3=15)

- Capital Redemption Reserve and Debenture Redemption Reserve
- Utilization of Securities Premium
- Concept of purchasing of Debentures cum-interest and ex-interest, giving accounting treatment with imaginary figures.

Q2 G Ltd. invited application for 20,000 equity shares of Rs. 10 each at Rs.12 payable as follows:-

On Application Rs. 2 per share, On Allotment Rs. 5 per share (including premium)  
 On First Call Rs. 3 per share, On Second Final Call Rs. 2 per share  
 Applications were received for 30,000 shares and pro rata allotment was made on the applications for 24,000 shares. Money overpaid on application was employed on account of sum due on allotment. Ram, to whom 400 shares were allotted failed to pay the allotment money and on his subsequent failure to pay amount due on the first call his shares were forfeited. Ramesh, holder of 600 shares failed to pay the two calls and his shares were forfeited after the second call. Of the shares forfeited, 800 shares were re-issued to Karan credited as fully paid at Rs. 9 per share. Show the journal entries and the Balance Sheet of G Ltd. giving effect to the above transactions. (15)

Q3 Balance Sheet of V Ltd. As on 31 March 2017

Equity and Liabilities	Note. no.	Rs.
<b>Shareholder's funds</b>		
(a) Share capital	1	65,00,000
(b) Reserves and surplus	2	4,40,000
<b>Current Liabilities</b>		
Trade payables		1,60,000
<b>Total</b>		<b>71,00,000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Fixed assets		37,00,000
Tangible		2,00,000
Investment at cost		12,00,000
Inventories		15,50,000
Trade receivables		4,50,000
Cash at bank		71,00,000
<b>Total</b>		<b>71,00,000</b>
<b>Notes to Accounts</b>		
<b>1. Share Capital</b>		15,00,000
12% Preference shares of Rs. 100 each fully paid		50,00,000
Equity shares of Rs. 10 each fully paid		<b>65,00,000</b>
<b>2. Reserve and Surplus</b>		40,000
Securities Premium		4,00,000
Surplus		<b>4,40,000</b>

The Board of Directors decided to redeem the Preference Share on 1st April, 2017 at a premium of 10%. The investments were sold at a loss of 25% on cost. For the purpose of the above redemption, the company issued sufficient number of equity shares of Rs. 10 each at a premium of Rs. 1 per share. The company maintains minimum cash balance of Rs. 1,00,000. Shortfall in cash, if any, was to be met by raising bank loan. You are required to give necessary Journal Entries and the Balance sheet after redemption in the books of the company. (15)

Q4 From the following balances of B Ltd. for the year ended March 31st, 2017. Prepare final accounts of the company taking into account the additional information. P.T.O.

Particulars	Rs.
<b>Equity and Liabilities</b>	
<b>Shareholders' Funds</b>	
Equity Share Capital Rs. 10 each	5,00,000
2000 10% Preference Shares of Rs. 100 each	2,00,000
<b>Reserves and Surplus</b>	
Surplus Account	80,000
General Reserve	1,20,000
<b>Non-Current Liabilities</b>	
9% Debentures	1,00,000
<b>Current Liabilities</b>	
Creditors	1,50,000
<b>Total Equity and Liabilities</b>	<b>11,50,000</b>
<b>Assets</b>	
<b>Non-Current Assets</b>	
Fixed Assets	
Goodwill	75,000
Land and Buildings	3,20,000
Plant and Machinery	3,15,000
<b>Current Assets</b>	
Stock	2,20,000
Debtors	90,000
Bills Receivable	70,000
Cash at Bank	50,000
<b>Other Current Assets</b>	
Preliminary Expenses	10,000
<b>Total Assets</b>	<b>11,50,000</b>

A Ltd. acquired all assets and all liabilities of B Ltd. For the purposes of absorption the assets were valued as follows:-

Goodwill	1,25,000
Land and Building	4,30,000
Plant and Machinery	3,00,000
Stock	2,00,000
Debtors	80,000
Bills Receivable	65,000

One fourth of purchase consideration was satisfied by the allotment of fully paid preference shares of Rs. 100 each at par which carried 12% dividend. On half of purchase consideration was paid in the form of fully paid equity shares of Rs. 10 each issued at par and the balance was paid in cash. The preference shares received from A Ltd were given to preference shareholders of B Ltd. in exchange of shares held by them. The cost of liquidation Rs. 10,000 was paid by B Ltd. out of cash received from A Ltd. Debenture holders of B Ltd. were discharged by issue of cash received from A Ltd. Debenture holders of B Ltd. were discharged by issue of 10% own debentures by A Ltd. You are required to:-

- Prepare Realisation Account, Preference Shareholders Account, A Ltd Account, Equity Shareholders Account and Cash at Bank Account in the books of B Ltd. (15)
- Pass Journal Entries in the books of A Ltd (15)

Q8 (a) The following information of a Commercial Bank on 31st March 2017. Calculate the amount of provision to be made for NPAs: (5)

Standard assets	Rs.20,60,500	(iv) Doubtful assets (unsecured)	Rs.22,500
(i) Sub standard assets	Rs.1,10,000	(v) Loss of assets	Rs. 15,000
(ii) Doubtful assets (secured)	Rs.40,000		
(iii) upto one year	Rs.25,000		
more than 3 years	Rs.15,000		

- What is the treatment of Depreciation in case of Electricity Companies? (5)
- State the features of Insurance contracts and accounts of insurance companies. (5)

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	Rs.	50,000
(a) Equity Share Capital 5,000 shares of Rs. 10 each		
(b) Building (cost 40,000)		30,000
(c) Furniture (cost 1,000)		500
(d) Motor Vehicles (cost 3,500)		3,000
(e) Investment in equity shares (Market value Rs. 22,000)		20,000
(f) Investment in 500 preference shares of Rs. 10 each Rs. 6 paid up		3,000
(g) Stock in trade		20,000
(h) Bills Receivable		5,000
(i) Accounts Receivable		14,000
(j) Cash at Bank		8,750
(k) 6% mortgage debentures		10,000
(l) Provision for tax		10,000
(m) Discount on issue of debentures		400
(n) Surplus		1,000
(o) Gross profit		50,000
(p) Dividend received		700
(q) Salaries		10,000
(r) Directors' Fees		400
(s) Interest paid on debentures		500
(t) Auditors Fees		650
(u) Trade Expenses		11,000
(v) Accounts Payables		5,500

**Additional Information:-**

- Provide 10% depreciation on original cost of all assets.
- Provide Rs. 10,000 in respect of tax for current year.
- Write back Rs. 200 liability included in Accounts payables
- Market Value of stock Rs. 18,000
- Proposed dividend @20% for the current year
- Write off discount on issue of debentures.

(15)

Q5

H Ltd. acquired 1200 equity shares in S Ltd on 01-04-2016. The Balance Sheets of H Ltd and its Subsidiary S Ltd. as on 31<sup>st</sup> March 2017 are as follows

	H Ltd. Rs.	S Ltd. Rs
<b>Shareholders' Funds</b>		
Equity Share Capital Rs. 100 each fully paid	5,00,000	1,50,000
Preference share Capital	1,00,000	
<b>Reserves and Surplus</b>		
General Reserve	3,40,000	6,000
Surplus	3,60,000	1,08,000
<b>Current Liabilities</b>		
Creditors	1,00,000	44,150
Bills Payable		24,150
<b>Total Equity and Liabilities</b>	<b>14,00,000</b>	<b>3,32,300</b>
<b>Assets</b>		
<b>Non-Current Assets</b>		
<b>Fixed Assets</b>		
Land and Buildings	3,56,000	70,000
Plant and Machinery	1,40,000	91,300
Properties	3,76,000	40,000
Investments in S Ltd.	1,80,000	
<b>Current Assets</b>		
Stock	1,36,000	50,600
Debtors and Cash	2,12,000	80,400
<b>Total Assets</b>	<b>14,00,000</b>	<b>3,32,300</b>

The other information given are:-

P.T.O.

Q6

The position of M/s Nath&Co. Ltd as on 31-12-2016 stood as under:

Particulars	Rs.
<b>Equity and Liabilities</b>	
<b>Shareholder's Funds</b>	
3000 Equity Share Capital Rs. 100 each fully paid	3,00,000
2000 6% Preference Shares of Rs. 100 each fully paid	2,00,000
<b>Reserves and Surplus</b>	
Profit and Loss A/c (Debit)	(3,90,000)
<b>Non Current Liabilities</b>	
5% Debentures	1,00,000
Interest due on Debentures	10,000
<b>Current Liabilities</b>	
Creditors	1,50,000
<b>Total Equity and Liabilities</b>	<b>3,70,000</b>
<b>Assets</b>	
<b>Non Current Assets</b>	
<b>Fixed Assets</b>	
Land and Building	75,000
Plant and Machinery	90,000
Patents	20,000
Goodwill	80,000
<b>Current Assets</b>	
Stock	40,000
Debtors	39,000
Cash at Bank	6,000
<b>Other current assets</b>	
Preliminary Expenses	20,000
<b>Total Assets</b>	<b>3,70,000</b>

A revaluation of assets reveals the following:-

Land and Building Rs. 95,000; Plant and Machinery Rs. 1,12,000; Stock Rs. 25,000; Debtors Rs. 32,000 and Patents Rs. 5,000.

The following scheme of reconstruction is framed and approved by the court:

- The 6% preference shares be converted into 7.5% preference shares of Rs. 30 each fully paid.
- The equity shares be converted into shares of Rs. 5 each, fully paid.
- The sundry creditors be given the option to either accept 50% of their claims in cash in full satisfaction or to convert their claims into shares of Rs. 5 each.
- The revaluation of assets be adopted.
  - One-third (in value) of the creditors accepted equity shares for their claims. The rest were paid cash which was raised by issuing 17,000 equity shares to the existing shareholders. All shares including preference shares were then consolidated (or sub-divided) into equity shares of Rs. 10. In view of the unsatisfactory state of affairs of the company, the debenture holders agreed to forego the interest due on debentures.
  - Assuming that all necessary actions were taken, journalise the steps and also give the Balance Sheet after the scheme is put into effect.

(15)

Q7

Following is the Balance Sheet of B Ltd. as on 31<sup>st</sup> March, 2017.

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# END TERM EXAMINATION

FOURTH SEMESTER [B.COM(HONS.)] MAY 2017

**Paper Code: B.COM-204**

**Subject: Auditing**

**Time: 3 Hours**

**Maximum Marks: 75**

**Note: Attempt any five questions including Q no.1 which is compulsory.**

- Q1 Write short notes on the following:- (3x5=15)  
(a) Advantages of Continuous audit  
(b) Test Checking  
(c) Audit Certificate
- Q2 (a) What do you mean by Internal Check? To what extent an auditor can rely on an internal check system? (7.5)  
(b) Accountancy is a necessity while auditing is a luxury. Comment. (7.5)
- Q3 (a) Briefly discuss the special auditing techniques used by an auditor. (7.5)  
(b) Detection and prevention of errors and frauds is the main objective of auditing? Explain the duties of auditor in this regard. (7.5)
- Q4 (a) State the role and importance of working papers of an auditor? (7.5)  
(b) What is an audit evidence? Discuss briefly the methods of obtaining audit evidence. (7.5)
- Q5 (a) Can a duly appointed auditor be removed before expiry of his term? If so, explain the procedure of removal of an auditor. (7.5)  
(b) Discuss the liabilities of a company auditor. (7.5)
- Q6 (a) An auditor is not a valuer and yet he is intimately connected with valuation. Comment. (7.5)  
(b) How will you verify the following:- (7.5)  
(i) Plant and Machinery  
(ii) Land and Building  
(iii) Investment  
(iv) Goodwill  
(v) Stock  
(vi) Calls in arrears
- Q7 (a) "Auditors report may be unqualified, qualified or adverse". Discuss. (7.5)  
(b) Enumerate are the contents of an Audit Report? (7.5)

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# END TERM EXAMINATION

FOURTH SEMESTER [B.COM (HONS)] MAY- 2017

Paper Code: B.COM 206

Subject: Macro-Economics

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions including Q.No1 which is compulsory.

- Q1 Write short notes on the following: (3x5=15)  
(a) Actual GDP and potential GDP  
(b) Marginal Efficiency of Capital  
(c) Liquidity Trap  
(d) Fisher Quantity Theory of Money  
(e) Philips Curve
- Q2 Illustrate graphically the circular flow of income in four sector model. What is the effect of change in personal tax and government expenditure on the circular flow? Does a balance budget policy result in expansion or reduction in circular flow? (15)
- Q3 Explain the role of aggregate demand and aggregate supply in equilibrium determination under the Keynesian Theory of Employment. Which of the two is used to reduce unemployment in this theory? (15)
- Q4 What are the determinants of money multiplier? How is money multiplier affected when the central bank changes the statutory reserve requirements? (15)
- Q5 How does inclusion of the government sector in two model economy affects the IS-LM model of equilibrium analysis? What new variables are added to the model and how do they affect the IS-LM schedule? (15)
- Q6 What is balanced budget multiplier? Assuming a theoretical model for an economy prove that the balance budget multiplier is always equal to one. (15)
- Q7 "Inflation is unjust and deflation is inexpedient, of the two deflations is worst". Elucidate. (15)
- Q8 What is the importance of fiscal policy for the growth of an economy? Explain the various factors which affect the fiscal policy of an economy. (15)

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# END TERM EXAMINATION

FOURTH SEMESTER [B.COM] MAY-JUNE 2017

**Paper Code: B.COM-208**

**Subject: Human Resource Management**

**Time: 3 Hours**

**Maximum Marks: 75**

**Note: Attempt any six questions including Q no.1 which is compulsory.**

- Q1 Answer **any five** of the following:- **(5x5=25)**
- (a) Human Resource Management is strategic in nature and wider in scope compared to Personnel Management. Discuss.
  - (b) Implementing Total Quality Management necessitates employee empowerment. Elucidate.
  - (c) Explain Socio-Technical approach to Job Design.
  - (d) Artificial Intelligence has the potential of enhancing effectiveness of recruitment. Analyse
  - (e) Briefly discuss ethical issues involved in determining compensation.
  - (f) What do you understand by Green HRM? Explain with suitable illustrations.
  - (g) Globalization has made HRM challenging. Examine.
- Q2 Concepts like Quality Circles, Kaizen, TQM, and Balanced Scorecard have contributed to improve employees' capability and enhance their performance. Elucidate. **(10)**
- Q3 (a) Discuss various approaches to human resource planning? **(5)**  
(b) Briefly explain common forecasting techniques used by HR Managers. **(5)**
- Q4 Briefly explain various types of selection tests and discuss their relative merits and demerits. **(10)**
- Q5 Explain any one model of employee engagement and discuss its components. **(10)**
- Q6 Explain using suitable examples, the relationship between performance appraisal, training and compensation. **(10)**
- Q7 Briefly discuss various benefits that employers in India extend to their employees which can be considered as CSR driven. **(10)**
- Q8 Explain the significance of Knowledge Management System for enhancing competitiveness of Organizations. **(10)**

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# END TERM EXAMINATION

FOURTH SEMESTER [B.COM(HONS.)] MAY- 2017

**Paper Code: B.COM-212**

**Subject: Work Psychology**

**Time: 3 Hours**

**Maximum Marks: 75**

**Note: Attempt any five questions including Q no.1 which is compulsory.**

- Q1 Write short notes on **any three** of the following:- **(3x5=15)**  
(a) Social Norms  
(b) Participative Observation  
(c) Self Efficacy  
(d) Ergonomics
- Q2 What are the different branches of study in psychology? Explain relevance and contribution of each to the world of work. **(15)**
- Q3 Why emotional intelligence is considered more important than intelligence at workplace today? Explain the four components of emotional intelligence in details. **(15)**
- Q4 What are the similarities and differences in pro-social behavior and altruism? How can they be used to change behavior of others? **(15)**
- Q5 Which is more important spiritual intelligence or social intelligence? Explain their individual relevance in workplace today. **(15)**
- Q6 Describe the factors contributing to work motivation at the workplace today? Which theory of motivation according to you fits best in today's scenario? **(15)**
- Q7 Why psychological health is important at workplace? What are the responsibilities of an organization to maintain the psychological health of its employees? **(15)**

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