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63/2 (SEM-4) MCO 405 (A,B,C)

2022

COMMERCE

(Theory Paper)

Paper Code : MCOM-405(A)

(Advanced Corporate Accounting)

Full Marks – 80

Time – Three hours

The figures in the margin indicate full marks
for the questions.

1. Choose the correct answer : 1×6=6
- (a) Which is the method of valuation of share ?
- (i) Net assets method
 - (ii) FIFO method
 - (iii) Net profit method
 - (iv) Assets valuation method
- (b) In case of amalgamation, which account is opened ?
- (i) Profit & Loss A/c
 - (ii) Realisation A/c
 - (iii) Revaluation A/c
 - (iv) Surplus A/c

[Turn over

(c) Minority interest is related to

- (i) Valuation of share
- (ii) Holding company
- (iii) Amalgamation
- (iv) Liquidation of companies

(d) List C is related to

- (i) Preferential creditors
- (ii) Secured creditors
- (iii) Unsecured creditors
- (iv) Liquidation of companies

(e) Amalgamation of companies is done as per Accounting Standard

- (i) AS 3
- (ii) AS 6
- (iii) AS 14
- (iv) AS 16

(f) Contributory is related to

- (i) Valuation of share
- (ii) Holding company
- (iii) Amalgamation
- (iv) Liquidation of companies

2. Answer the following questions : $2 \times 5 = 10$

- (a) What is the necessity of valuation of shares ?
- (b) Define Purchase Consideration.
- (c) What is Subsidiary company ?
- (d) What is Liquidation ?
- (e) Write the methods of valuation of Goodwill.

3. Answer any five of the following questions : $6 \times 5 = 30$

- (a) Write the various factors of valuation of Goodwill.
- (b) What is Purchase consideration ? Explain the methods of calculating purchase consideration.
- (c) What is Consolidated Financial Statements and write their needs.
- (d) Explain the modes of Winding up of a company.
- (e) Phwilao Ltd. agrees to purchase a sole trade business. Goodwill for this purpose is agreed to be valued at 3 year's purchase of average profit of the past 4 years. Profits for past 4 years are :

Years	Profit (Rs.)
2018	30,200
2019	34,800
2020	30,000
2021	40,000

On scrutiny of the accounts, the following matters are revealed :

(i) On 1st September 2020, a major repairs was made in respect of the plant incurring Rs. 8,000 which was charged to revenue ; the said sum was agreed to be capitalized for goodwill calculation subject to the adjustment of depreciation of @10% p.a. on Reducing balance method.

(ii) Closing stock for the year 2019 was overvalued by Rs. 3,400.

(iii) To cover management cost, an annual charge of Rs. 5,000 should be made for the purpose of said valuation.

Find the value of Goodwill under Year's purchase of Average Profit Method.

(f) Differentiate between amalgamation in the nature of merger and amalgamation in the nature of purchase.

(g) Explain in detail the Cost of control and Goodwill with reference to Holding Company.

(h) Write the sequence of the order of payment in case of liquidation of companies.

(i) Explain the methods of Accounting for Amalgamations.

4. Answer any *two* of the following questions :

10×2=20

(a) Chirang Ltd. went into voluntary liquidation having the following information :

(i) Unsecured Creditors : Rs. 8,50,000.

(ii) Secured Creditors : Rs. 5,80,000/(realized value of securities Rs. 6,50,000).

(iii) Preferential Creditors : Rs. 1,50,000.

(iv) 8% Debentures having a floating charge on assets : Rs. 1,80,000.

(v) Interest on debenture : Rs. 5,600.

(vi) Municipal tax payable : Rs. 700.
Liquidator's out of pocket expenses amounted to : Rs. 4,000.

(vii) The liquidator is entitled to a remuneration of 5% on the assets realized and of 3% on the amount distributed to unsecured creditors.

(viii) The various assets (excluding the securities held by secured creditors) realized : Rs. 8,50,000.

Prepare Liquidator's Final Statement of Accounts showing the proportion paid to the unsecured creditors.

- (b) The following are the Balance sheets of Hazarika Ltd. and its subsidiary, Sarma Ltd. as on 31st March, 2021 :

Particulars	Hazarika Ltd.	Sarma Ltd.
I. Equity and Liabilities :	Rs.	Rs.
Shareholders Fund :		
(a) Share Capital : Equity Shares of Rs.100 each	6,00,000.00	2,00,000.00
(b) Reserve and Surplus : Surplus in the Statement of Profit and Loss	50,000.00	NIL
Current Liabilities :		
Sundry Creditors	2,30,000.00	60,000.00
Total	8,80,000.00	2,60,000.00
II. ASSETS		
Non-Current Assets :		
Tangible	6,80,000.00	2,60,000.00
Non-Current Investments 1,600 Shares in Sarma Ltd.	2,00,000.00	NIL
Total	8,80,000.00	2,60,000.00

The shares were acquired by Hazarika Ltd. on 31st March, 2021. Prepare the Consolidated Balance Sheet of the holding company and its subsidiary as on 31st March, 2021.

- (c) Define Amalgamation. Distinguish amongst Amalgamation, Absorption and External reconstruction.

5. Answer any *one* of the following questions :

14×1=14

- (a) Kokrajhar Ltd. and Udalguri Ltd. amalgamated to form a new company Bodoland Development Ltd. The financial position of these two companies on the date of amalgamation was as under :

Particulars	Kokrajhar Ltd.	Udalguri Ltd.
	Rs.	Rs.
I. Equity and Liabilities :		
Equity Shares of Rs. 100	8,00,000.00	3,00,000.00
7% Preference Share @ Rs.100	4,00,000.00	3,00,000.00
5% Debenture	2,00,000.00	NIL
General Reserve	NIL	1,00,000.00
P/L Account	3,71,375.00	97,175.00
Trade payables	1,00,000.00	2,10,000.00
Secured Loan	NIL	2,00,000.00
Total	18,71,375.00	12,07,175.00
II. Assets :		
Goodwill	80,000.00	NIL
Land & Building	4,50,000.00	3,00,000.00
Plant & Machinery	6,20,000.00	5,00,000.00
Furniture and Fittings	60,000.00	20,000.00
Trade Receivables	2,75,000.00	1,75,000.00
Stores & Inventories	2,25,000.00	1,40,000.00
Cash at Bank	1,20,000.00	55,000.00
Cash in hand	41,000.00	17,175.00
Total	18,71,375.00	12,07,175.00

The terms and conditions of amalgamation are as under :

- (i) The assumption of liabilities of both the companies.
- (ii) Issue of 5 Preference shares of Rs.20 each in Bodoland Development Ltd. @ Rs.18 paid up at premium of Rs.4 per share for each Preference share held in both the companies.
- (iii) Issue of 6 Equity shares of Rs.20 each in Bodoland Development Ltd. @ Rs.18 paid up at a premium of Rs. 4 per share for each equity share held in both the companies. In addition, necessary cash should be paid to the Equity Share holders of both the Companies as required to adjust the rights of shareholders of both the companies in accordance with the intrinsic value of shares of both the companies.
- (iv) Issue of such amount of fully paid 6% Debentures in Bodoland Development Ltd. as is sufficient to discharge the 5% (debentures in Bodoland Development Ltd. at a discount of 5%) after takeover.

(v) The Assets and Liabilities are to be taken at book values, inventory and trade receivables for which provisions at 2% and 2.5% respectively to be raised.

(vi) The trade receivables of Kokrajhar Ltd. include Rs. 20,000 due from Udalguri Ltd.

(vii) The Bodoland Development Ltd. issues 15,000 new Equity shares of Rs.20 each, Rs. 18 paid up at premium of Rs. 4 per share so as to have sufficient working capital.

Prepare Ledger accounts in the books either of Kokrajhar Ltd. or Udalguri Ltd. to close their books.

(b) Explain the factors that influence the valuation of shares and write the various methods of valuation of shares.

(Theory Paper)

Paper Code : MCO-405(B)

(Industrial Relation and Labour Law)

Full Marks – 80

Time – Three hours

The figures in the margin indicate full marks for the questions.

1. Choose the correct answer :

1×6=6

(a) Who among the following advocated the Trusteeship theory of Trade Union ?

- (i) N. M. Lokhande (ii) B. P. Wadia
(iii) G. L. Nanda (iv) M.K. Gandhi

(b) Which of the following characteristics of Collective Bargaining is not applicable ?

- (i) It is a collective process
(ii) It is a flexible process
(iii) It is not a bipartite process
(iv) It is an interdisciplinary system.

(c) Who are not the Actors of Industrial Relation ?

- (i) Workers and their organisations
(ii) Employers and their organisations
(iii) Community and Cultural associations
(iv) Government and the role of the State

(d) Which of the following is not an objective of workers' education scheme of India ?

- (i) To make workers responsible
(ii) To make them efficient at work
(iii) To enable them to earn more
(iv) To make them responsible Union members and officers.

(e) In which type of collective bargaining workers lose something instead of gaining ?

- (i) Concession bargaining
(ii) Coalition bargaining
(iii) Productive bargaining
(iv) All of the above

(f) Which of the following is not a mode of workers' participation in management ?

(i) Works Committees

(ii) Employee stock option plan

(iii) Joint Management Council

(iv) Joint Committee for Policy Formulation.

2. Write brief notes on the following : $2 \times 5 = 10$

(a) Joint Management Council

(b) Adjudication

(c) Domestic Inquiry

(d) Bipartite Machinery

(e) Principle of Natural Justice.

3. Answer the following questions (any six) : $5 \times 6 = 30$

(a) State the process of Collective Bargaining.

(b) Distinguish between Collective Bargaining and Workers Participation in Management.

(c) Write briefly about some major problems of Trade Union in India.

(d) Write a short note on "Unfair Labour Practices".

(e) Write a note on Management Vs. Union.

(f) Discuss the role of State in Industrial Relation.

(g) Write a note on "Industrial Disputes Settlement through Arbitration.

(h) Write a short note on Ethical Codes.

(i) State the functions of Lok Adalat.

4. Answer any two questions : $10 \times 2 = 20$

(a) Describe the various approaches to Industrial Relation.

(b) Explain the methods of Settlement of Industrial Disputes as per Industrial Disputes Act, 1947.

(c) Discuss the major preventive machineries for handling Industrial Disputes in India.

5. Answer the following questions : $14 \times 1 = 14$

(a) What measures do you suggest to remove the existing Trade Union problems in India.

Or

(b) Highlight the initiatives which are undertaken by the Government of India for labour welfare.

(Theory Paper)

Paper Code : MCO-405 (C)

(Global Trade and Finance)

Full Marks – 80

Time – Three hours

The figures in the margin indicate full marks for the questions.

1. Choose the correct answer : $1 \times 6 = 6$
- (a) In India, Export Councils are :
- (i) Government initiative authorities
 - (ii) Agents to promote and support export firms
 - (iii) Intermediaries between the Government and export industry
 - (iv) All of the above
- (b) In which year, Exim Bank was established ?
- (i) 1981
 - (ii) 1982
 - (iii) 1983
 - (iv) 1992
- (c) The premier export finance institution in India is
- (i) RBI
 - (ii) SBI
 - (iii) SIDBI
 - (iv) EXIM

(d) Global trade contributes the world

- (i) inflation
- (ii) war
- (iii) population
- (iv) economy

(e) The tax which is imposed on imports is known as

- (i) import quotas
- (ii) quantitative restriction
- (iii) tariffs
- (iv) imported tax

(f) The first 'Export Processing Zone' of India was established in 1965 at :

- (i) Siliguri
- (ii) Guwahati
- (iii) Chennai
- (iv) Kandla

2. Answer the following questions : $2 \times 5 = 10$

- (i) Define Global trade.
- (ii) What do you mean by negotiation of export bills ?
- (iii) Write any two determinants of export financing.
- (iv) What is competitive advantage ?
- (v) What do you mean by deemed export ?

3. Answer any six questions : $5 \times 6 = 30$

- (i) Write a note on commercial documents for carrying out global trade.

- (ii) Write the differences between pre-shipment and post-shipment finance.
- (iii) What is Hybrid financing strategy ? Explain.
- (iv) Discuss briefly the importance of special economic zone in export promotion.
- (v) Elucidate the challenges of export financing.
- (vi) To what extent the RBI can help Indian exporters ? Explain.
- (vii) Write the features of Pre-shipment finance.
- (viii) What is Letter of credit ? What are the types of letter of credit ?
- (ix) Write a note on 'Economic Processing Zones'.

4. Answer any *two* of the following questions :

$10 \times 2 = 20$

- (i) Elaborate the procedures of global trade.
- (ii) What is Export Council ? Write the role of Export promotion Councils.
- (iii) Discuss the export financing strategies.

5. Answer any *one* of the following questions :

$14 \times 1 = 14$

- (i) Discuss the India's Foreign Trade Policy 2015-2020.
- (ii) Explain the role of World Trade Organisation in promotion of global trade.