

**U.G. 5th Semester Examination-2021****COMMERCE****[PROGRAMME]****Skill Enhancement Course (SEC)****Course Code : BCOM-G-SEC-T-03A****Course Title : Corporate Accounting and Financial Management**

Full Marks : 40

Time : 2 Hours

*The figures in the right-hand margin indicate marks.**Candidates are required to give their answers in their own words as far as practicable.*1. Answer any **five** questions: 2×5=10

যে-কোনো পাঁচটি প্রশ্নের উত্তর দাও :

- i) What are the maximum and minimum number of members of a private company and public company as stated in the Companies Act, 2013? কোম্পানি আইন ২০১৩-তে বর্ণিত একটি private company এবং public company র সর্বাধিক এবং সর্বনিম্ন সদস্য সংখ্যা কত?
- ii) State the disclosure procedure of contingent liability in a financial statement. একটি আর্থিক বিবৃতিতে কন্টিনজেন্ট দায়বদ্ধতার প্রকাশ পদ্ধতিটি বর্ণনা করো।
- iii) Give the journal entries for redemption of Preference shares (assume that the ASA Ltd. has

*[Turn Over]*

9% redeemable preference shares amounting to Rs 1,00,000, and the Preference shares are to be redeemed at 10% premium).

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- iv) Name the various methods of valuing Equity Shares of a company.

কোনও সংস্থার ইকুইটি শেয়ারের মূল্য নির্ধারণের বিভিন্ন পদ্ধতিগুলি উল্লেখ করো।

- v) Fill in the blanks:

AS 7 classifies cash flows as \_\_\_\_\_ , \_\_\_\_\_, and \_\_\_\_\_.

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- vi) Differentiate between operating cycle and cash cycle.

অপারেটিং চক্র এবং নগদচক্রের মধ্যে পার্থক্য করো।

- vii) Cost of capital is referred to as the cut off rate – state the reason for this.

মূলধনের ব্যয়কে কাট অফ রেট হিসাবে উল্লেখ করা হয় — এর কারণ উল্লেখ করো।

- viii) Write two objectives of cash flow statement.

নগদ প্রবাহ বিবরণীর দুটি উদ্দেশ্য উল্লেখ করো।

2: Answer any **two** questions : 5×2=10

যে-কোনো দুটি প্রশ্নের উত্তর দাও :

- i) XYZ Company Ltd. took over assets of Rs 230 Lakh and liabilities of Rs 30 Lakh of PQR

Company Ltd. for a purchase consideration of Rs 220 Lakh. The XYZ Company Ltd. paid the purchase consideration by issuing Equity Shares of Rs.100 each at 10% premium. Give journal entries in the books of XYZ Company Ltd.

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- ii) T Ltd. furnishes you the following Extract of its Balance Sheet as at 31st March, 2021: (Rs in Lakhs)

Equity Shares of Rs 10 each fully paid		400
12% redeemable Preference shares of Rs 100 each fully paid		200
Reserve and Surplus		
-Capital Reserve	15	
- Share Premium	25	
- General Reserve	260	300
		900
<b>Funds Employed in:</b>		
Fixed Assets less depreciation		560
Current Assets	540	
Less: Current Liabilities	200	340
		900

The company redeemed Preference shares on 1st April 2021 at a premium of 10%. You are required to pass journal entries to record the transaction. Make necessary assumptions.

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- iii) The current market price of each Equity share of A Ltd. is Rs. 95. The floatation cost is Rs. 5 per share. The current dividend rate is Rs. 4.50, and is expected to grow at a rate of 7%. You are required to calculate the cost of Equity share capital.

ইংরেজি প্রশ্ন দেখো।

- iv) State the various long-term sources of finance. Briefly explain the advantages of any two of the mentioned long-term sources.

অর্থের বিভিন্ন দীর্ঘমেয়াদী উৎসগুলি উল্লেখ করো। উল্লিখিত দীর্ঘমেয়াদী উৎসগুলির যেকোনও দুটির সুবিধাগুলি সংক্ষেপে ব্যাখ্যা করো।

3. Answer any **two** questions : 10×2=20

যে-কোনো দুটি প্রশ্নের উত্তর দাও :

- i) Lotus LLP is a water pump manufacturing unit. Its production cycle indicates that materials are introduced in the beginning of the production cycle; wages and overheads accrue evenly throughout the period of this cycle. Wages are paid in the next month following the month of accrual. Work in process includes full units of raw material used in the beginning of the production process, and 50% of wages and overheads.

Details of production process and the components of working capital are as follows:

- Production of water pumps per annum 12,00,000 units

- Duration of the production cycle One month
- Raw materials inventory held One-month consumption
- Finished goods inventory held Two months
- Credit allowed by creditors One month
- Credit given to debtors Two months
- Cost price of raw materials 60 per unit
- Direct wages 10 per unit
- Overheads 20 per unit
- Selling price of finished water pump 100 per unit

Calculate the amount of working capital required for Lotus LLP.

ইংরেজী প্রশ্ন দেখো।

- ii) From the following Balance Sheet of M.P. Products Ltd find out the value of Equity share and Preference share.

Balance Sheet of M.P Products Ltd  
as on 31st March 2021

Assets:	Rs.
Goodwill	25,000
Machinery	1,60,000
Furniture	5,000
Stock	80,000
Debtors	1,50,000
Cash	2,000
Preliminary Expenses	3,000
	<b>4,25,000</b>

Liabilities and Equity:	
20,000 Equity Shares of Rs. 10 each	2,00,000
8% 1000 Preference Shares of Rs. 100 each	1,00,000
Reserve	30,000
Profit and Loss Account	18,000
Sundry Creditors	60,000
Other Liabilities	12,000
Overdraft	5,000
	<b>4,25,000</b>

*Additional information:*

Goodwill is valued at Rs.15,000. Stock is overvalued by Rs.10,000. Machinery is undervalued by Rs.15,000. Proposed Preference Dividend Rs.8,000.

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- iii) XYZ company supplied the following information and requested you to compute the cost of capital based on book values and market values.

Source of Finance	Book Value (Rs)	Market Value (Rs)	After Tax Cost (%)
Equity Share Capital	10,00,000	15,00,000	12
Long-term debt	8,00,000	7,50,000	7
Short-term debt	2,00,000	2,00,000	4
Total	20,00,000	24,50,000	

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iv) Following are the Balance Sheets of Ratnomsons Company Ltd. as on 31st March 2020 and 31st March, 2021:

Particulars	Amount (Rs)	Amount (Rs)
	31st March 2020	31st March 2021
<b><u>Liabilities</u></b>		
Share Capital	44,00,000	66,00,000
Reserves and Surplus	27,50,000	38,50,000
Depreciation	8,80,000	13,20,000
Bank Loan	17,60,000	8,80,000
Sundry Creditors	13,20,000	14,85,000
Proposed Dividend	4,00,000	6,00,000
Provision for Taxation	4,00,000	5,50,000
	<b>1,19,10,000</b>	<b>1,52,85,000</b>
<b><u>Assets</u></b>		
Land	33,00,000	44,00,000
Plant and Machinery	50,60,000	69,30,000
Inventories	19,80,000	22,00,000
Sundry Debtors	11,00,000	17,05,000
Cash and Bank Balance	4,70,000	50,000
	<b>1,19,10,000</b>	<b>1,52,85,000</b>

- a) The machine which was purchased earlier for Rs. 6,00,000 was sold during the financial year 2020–21 for Rs. 40,000. The book value of the machine was Rs. 60,000. A new machine was purchased during the financial year.
- b) The company had issued new shares to the extent of Rs.22,00,000.

You are required to prepare a Cash Flow Statement for 2020-21, as per AS 3.

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