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SARDAR PATEL UNIVERSITY

T.Y.B.Com – Hon. (IA) Examination, Semester – VI

Friday, 6th April 2018

Contemporary Issues in Corporate Accounting (UB06ECOH01)

Time: 2:00 P.M. To 4:00 PM

Total Marks: 60

Q-1(A) What is Amalgamation? Explain the conditions to be satisfied for amalgamation in nature of merger and amalgamation in nature of purchase as per AS-16. (10)

Q-1(B) Differentiate between Pooling Interest method and Purchase method. (05)

OR

Q-1 The following information has been extracted from the balance sheets of P Ltd. and S Ltd. as on 31st March, 2017: (15)
(Amount in Rs.)

Liabilities	P Ltd	S Ltd	Assets	P Ltd.	S Ltd.
Equity shares (Each of Rs. 10)	7,20,000	3,00,000	Land & Building	2,50,000	---
11% Pref. share	---	1,70,000	Plant & Machinery	3,25,000	2,90,000
General Reserve	80,000	65,000	Furniture	57,500	94,100
P & L A/c	75,000	40,000	Inventories	2,15,000	1,73,900
9% Debenture (Each of Rs.10)	---	50,000	Debtors	72,500	52,000
Creditors	1,15,000	35,000	Bank Balance	70,000	50,000
	9,90,000	6,60,000		9,90,000	6,60,000

P Ltd. takes over S Ltd. on 1st April, 2017, and discharges consideration for the business as follows:

(i) Issued 35,000 fully paid equity shares of Rs 10 each at par to the equity shareholders of S Ltd.

(ii) Issued fully paid 12% preference shares of Rs 10 each to discharge the preference shareholders of S Ltd. at par.

(iii) It is agreed that the debentures of S Ltd. will be converted into equal number and amount of 10% debentures of P Ltd.

You are required to pass necessary journal entry and prepare revised balance sheet of P Ltd. after amalgamation assuming that the amalgamation is in the nature of purchase.

Q-2(A) Discuss brief history of International Standard Body. (07)

Q-2(B) Explain the due process of issuing IFRS (International Financial Reporting Standards) followed by IASB. (08)

OR

Q-2(A) Explain objectives and underlying assumptions of Financial Statements. (07)

Q-2(B) Discuss qualitative characteristics of Financial Statements. (08)

(1)

(P.T.O.)

- 3(A) The following particulars have been obtained from the Trial Balance of the Unity Bank Limited as on 31-3-2017. (07)

	Rs.
Bills Discounted and purchased	12,00,000
Rebate on bills discounted (1-4-2016)	15,000
Interest & Discount received	3,40,000

The average due date of the discounted bills is 15-6-2017 and Rate of Discount is 12% p.a. Find the amount to be transferred to profit and loss account and prepare interest and Discount Account.

- 3(B) Explain the following terms as per Banking Regulation Act, 1949. (08)

- 1) SLR (statutory Liquidity Ratio)
- 2) CRR (Cash Reserve Ratio)
- 3) Statutory Reserve
- 4) NPA (Non Performing Assets)

OR

- 3 Prepare the pro-forma of form –A Balance Sheet along with necessary schedules as per Banking Regulation Act 1949. (15)

- 4(A) Explain the concept of Creative Accounting and Discuss methods to prevent it. (07)

- 4(B) Write brief note on: (08)

- 1) Lean Accounting
- 2) Forensic Accounting and Forensic Audit

OR

- 4(A) What is Responsibility Accounting? Discuss types of Responsibility Centers. (07)

- 4(B) Discuss advantages and difficulties in installing responsibility accounting. (08)

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