Sanjay Ghodawat University, Kolhapur

2019-20

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

Year and Program	School of Commerce and Management	Commerce
TYBCOM		
Course Code: CBC301	Corporate Accounting	Semester – Odd (V)
Day and Date Tuesday 19/11/19	End Semester Examination	Time: 3 hrs, Max Marks: 100 10.30am to 1.30pm

Instructions: 1) Use of simple calculator is allowed

		Marks	Level	COs
Q.1	**Answer the following.**			
a)	**State whether following statement is True or False. (Any 5)**	**10**	L1	
	i. Cash flow statement preparation is mandatory for all company organizations			CO1
	ii. Changes in working Capital don't affect Cash flow from investing activities.			CO 1
	iii. Dividend paid should be treated as Application of funds while preparing Fund Flow Statement			CO 2
	iv. Fund flow statement is prepared for long term i.e. for 3 years.			CO 2
	v. Consolidated Financial Statements must be prepared by every organization to show the growth of 5 years.			CO 3
	vi. Parent Company and Holding are same.			CO 3
b)	**Answer the following questions shortly. (Any 5)**	**10**	L1	
	i. Mention any two restrictions on Investment for a mutual fund company.			CO 4
	ii. State the meaning of Re Purchase Price and Repurchase Load with reference to Mutual Fund Units.			CO 4
	iii. What does Earnings Value mean?			CO 5
	iv. What are Past due for a NBFC?			CO 5
	v. What is Bonus shares?.			CO 6
	vi. What does Sweat Equity Shares mean?			CO 6
Q.2	**Solve the following.**			
a)	Explain the importance of Cash Flow for the management of business operations.	**10**	L2	CO 1
	OR			
a)	Welprint Ltd. has given you the following information:	**10**	L2	CO 1

	(Rs)
Machinery as on April 01, 2016	50,000
Machinery as on March 31, 2017	60,000
Accumulated Depreciation on April 01, 2016	25,000
Accumulated Depreciation on March 31, 2017	15,000

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During the year, a Machine costing Rs 25,000 with Accumulated Depreciation ofRs 15,000 was sold for Rs 13,000.
Calculate cash flow from Investing Activities on the basis of the above information.

OR

b) Prepare Statement of Working Capital Changes for the following **10** L3 CO 2

Balance sheet of Ice Land Ltd.

Liabilities	2018	2019	Assets	2018	2019
Share Capital	10,00,000	15,00,000	Building at Cost	750,000	11,50,000
Share premium	-	50,000	Machinery Less Depreciation	875,000	11,25,000
P & L account	200,000	425,000	Investments	100,000	100,000
5% Debentures	500,000	380,000	Stock	225,000	245,000
Creditors	300,000	520,000	Debtors	75,000	90,000
Prov. For Taxation	100,000	25,000	Bank	125,000	240,000
Proposed Dividend	50,000	50,000			
TOTAL	21,50,000	29,50,000		2150,000	29,50,000

Additional Information

i. During the year 2018 the company sold machinery costing Rs.75,000 for Rs.25,000. The accumulated depreciation on the said machinery was Rs.40,000
ii. Depreciation written off during the year 2018 was Rs.9000
iii. Taxation paid during the year amounted to Rs.90,000

OR

b) For above Information (Refer Q.2 b) prepare Fund from operation and Statement of Fund flow if Net changes in working Capital amounts to Rs.70,000 (negative) i.e Decrease in working Capital and Funds from Operations is Rs.390,000 **10** L3 CO 2

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Q.3 **Answer/Solve the following**

a) Prepare Consolidated Balance Sheet as on 31.03.2019 if S Ltd. is 80% owned subsidiary company of Amit Ltd. **10** L3 CO 3

Particulars		Amit Ltd.	Sumit Ltd.
I.	**Equity and Liabilities**		
	Share Capital	500,000	2,00,000
	Reserves and Surplus	100,000	50,000
	Balance in Profit and Loss	100,000	100,000
II.	**Long Term Liabilities**		
	8% Debentures	400,000	200,000
III.	**Current Liabilities**		
	Trade Payables	100,000	50,000
	TOTAL	**12,00,000**	**600,000**
	ASSETS		
IV.	Fixed Assets	800,000	400,000
	NonCurrent Investment	(Sumit.Ltd) 300,000	100,000
V.	Current Assets	100,000	90,000
	Preliminary Expenses	-	10,000
	TOTAL	**12,00,000**	**600,000**

OR

a) Set up a Model for Guidelines to prepare Consolidated Balance Sheet by using AS21 for Parent Company and Group Companies. **10** L3 CO 3

b) Sudha Finance Ltd. approached you as an expert in mutual fund. Company wants start a mutual fund scheme and need guidance for Pricing of its Units. **10** L4 CO 4

Analyze the situation and outline the guidelines for Pricing of Mutual Fund Units.

OR

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b) **10** L5 CO 4

Assess **Net Annual Value** of Mutual Fund for Sharma Ltd. for a scheme having 100 Lakhs Units.

- Details of Cash Flow within a year.

Cash Inflow	Amount Rs.	Cash Outflow	Amount Rs.
Opening Cash Balance	81.25	Management Exps	1.76
Sales Proceeds of New Units	141.25	Purchase of Investments	130
Dividend received in Cash on Investments	2.26	Dividend distributed among Unit holders	1.81
		Capital Gains distributed among Unit Holders	11.20

Additional Information: (Rs. Lakhs)

i. Closing Market Value of Investments is Rs.1,120.23L
ii. Dividend Accrued Rs.0.25L
iii. Current Liabilities are worth Rs.0.47L
iv. There are no Long Term Liabilities related to scheme

Q.4 Answer any Two of the following.

a) Describe the role of Non Banking Finance company in Indian Economy. **10** L1 CO 5

b) Write a note on classification of Non Banking Finance Companies. **10** L1 CO 5

c) What do you mean by **10** L1 CO 5
   i. Substandard Assets
   ii. Loss Assets
   iii. Doubtful Assets

Q.5 Solve any Two of the following.

a) The following underwriting takes place **10** L2 CO 6
A:6000 shares
B:2,500 Shares
C:1,500 Shares
The share issue is 10,000 shares.
Total subscription received for 7,100 shares.
Out of that following were marked applications
A: 1000 shares
B:2,000 shares
C: 500 shares.
Show the allocation of Liability of the underwriters.

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b) Following is the Balance Sheet of Sharekhanna Ltd. as on 31.03.2018 **10** L2 CO 6

	Amount Rs. '000
Share Capital 21,000 Ordinary shares of Rs 10000 each	210,000
General Reserve	100,000
Profit and Loss A/c	100,000
Securities Premium	20,000
Capital Redemption Reserve (Balance remained after redemption)	100,000
Current Liabilities	70,000
ASSETS	
Fixed Assets	300,000
Current Assets	300,000

The Management decided to capitalize its Reserves by issuing Bonus Shares for 3:2 manner.(for every 3 shares, Bonus of 2 shares)

c) Explain the process of Buy Back of Shares. **10** L2 CO 6

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