



26151741

QP CODE: 26151741

Reg No :

Name :

M.Com DEGREE (CSS) PRIVATE EXAMINATION, MAY 2026

First Semester

Core Courses - CM010101 - SPECIALISED ACCOUNTING

M.COM- FINANCE AND TAXATION, MARKETING AND INTERNATIONAL

BUSINESS, MANAGEMENT AND INFORMATION TECHNOLOGY

2019 Admission Onwards

B9CF6F9C

Time: 3 Hours

Weightage: 30

Instructions: (Applicable for 2020 admission onwards): This question Paper contains **two sections**. Answer **section I** questions in the answer book provided. **Section II internal examination questions** must be answered in the **question paper itself**. Follow the detailed instructions given under **section II**.

Part A (Short Answer Questions)

*Answer any **eight** questions.*

*Weight **1** each.*

1. Explain the revenue recognition provisions as per AS-9 related to 'Advertising and insurance agency commissions'.
2. Entity A, a supermarket chain, is renovating one of its major stores. The store will have more available space for in store promotion outlets after the renovation and will include a restaurant. Management is preparing the budgets for the year after the store reopens, which include the cost of remodeling and the expectation of a 15% increase in sales resulting from the store renovations, which will attract new customers. State whether the remodeling cost will be capitalised or not.
3. How is intrinsic value of a share different from the face value?
4. How will you deal with the difference in purchase consideration and share capital of the acquiree company under merger method?
5. P Ltd. has 30,000 equity shares of ₹ 10 each. The intrinsic value of the share is ₹ 20. P Ltd is to be taken over by Q Ltd. which has an intrinsic value of ₹ 60 per share. Find out the share exchange ratio and purchase consideration.
6. Write a short note on the adjustment of cross-holdings.
7. How are NBFCs classified on the basis of Liability?
8. What are Residuary NBFCs?





9. What are the eligibility criteria required to obtain certificate of registration for Mutual Funds?
10. What is Lean Accounting?

(8×1=8 weightage)

Part B (Short Essay/Problems)

Answer any **six** questions.

Weight **2** each.

11. Explain the need for Accounting Standards.
12. Distinguish between "Timing differences" and "Permanent differences" referred to in AS 22 on Accounting for Taxes, giving 2 examples of each.
13. Briefly discuss, giving an example, how goodwill is valued in case of a Joint Stock Company.
14. Discuss the accounting treatment of goodwill and reserves under pooling of interest method and Purchase method.
15. X Ltd. is to absorb Y Ltd. by issuing 5 shares of ₹10 each at a premium of 10% for every 4 shares held in Y Ltd. On the date of absorption the Balance Sheet were as under:

	<i>X Ltd ₹</i>	<i>Y Ltd. ₹</i>
I. Equity and Liabilities		
<i>(1) Shareholder's Funds</i>		
a. Share Capital:		
<i>Equity shares of ₹10 each.</i>	<i>10,00,000</i>	<i>6,00,000</i>
b. Reserves and Surplus:		
<i>General Reserves</i>	<i>1,00,000</i>	<i>80,000</i>
<i>(2) Current Liabilities</i>		
<i>Creditors</i>	<i>2,00,000</i>	<i>1,25,000</i>
Total Equity and Liabilities	<i>13,00,000</i>	<i>8,00,000</i>
II. Assets		
1. Non-current Assets		
<i>Fixed Assets</i>	<i>8,00,000</i>	<i>4,00,000</i>





<i>Investments:</i>		
<i>12,000 shares in Y Ltd.</i>	<i>1,60,000</i>	
<i>10,000 shares in X Ltd.</i>		<i>1,20,000</i>
<i>2. Current Assets</i>	<i>3,40,000</i>	<i>2,80,000</i>
<i>Total Assets</i>	<i>13,00,000</i>	<i>8,00,000</i>

You are required to show (a) important ledger in the books of Y Ltd., and (b) the acquisition entries in the books of X Ltd. Fixed assets of Y Ltd. are taken at ₹ 4,50,000 in the books of X Ltd.

16. Explain how the assets of NBFCs are classified.
17. Fortune Mutual Fund has the following assets in a scheme as on 31st March 2015.

Company	No. of shares	Market Price per share
A Ltd	22000	₹ 30
B Ltd	33000	₹ 300
C Ltd	30000	₹ 350
D Ltd	42000	₹ 400

The total number of units of the Scheme is 10 lakhs. Expenses of the scheme amounts to ₹ 1,50,000 and other liabilities amounts to ₹ 2,50,000. Calculate the NAV per unit of the scheme.

18. Elucidate the benefits of Green Accounting.

(6×2=12 weightage)

Part C (Essay Type Questions)

Answer any **two** questions.

Weight **5** each.

19. Ergo Industries Ltd. gives the following estimates of cash flows relating to fixed asset on 31-12-2016. The discount rate is 15%.

Year Cash Flow (Rs. in lakhs)

2017 4,000

2018 6,000

2019 6,000

2020 8,000

2021 4,000

Residual value at the end of 2021 = Rs.1000 lakhs

Fixed Asset purchased on 1-1-2014 = Rs.40,000 lakhs





Useful life = 8 years

Net selling price on 31-12-2016 = Rs.20,000 lakhs

Calculate on 31-12-2016:

- (a) Carrying amount at the end of 2016
- (b) Value in use on 31-12-2016
- (c) Recoverable amount on 31-12-2016
- (d) Impairment loss to be recognized for the year ended 31-12-2016
- (e) Revised carrying amount
- (f) Depreciation charge for 2017
- (PV Factors @15% 0.870, 0.756, 0.658, 0.572, 0.497)

20. The Balance Sheet of Toy Gun Manufacturing Co. Ltd. discloses the following financial position as at 31 March, 2007.

Liabilities	Rs	Assets	Rs
Paid-up capital:		Goodwill at cost	30,000
30,000 shares of Rs 10 each		Land and buildings at cost	
fully paid	3,00,000	(Less: Depreciation)	1,75,000
Capital reserve	60,000	Plant and machinery at cost	
Sundry creditors	71,000	(Less: Depreciation)	90,000
Provision for taxation	55,000	Stock at cost	1,15,000
Profit and loss Alc	26,000	Book debts	98,000
		Less: Provision for	
		doubtful debts	3,000
		Cash at bank	7,000
	5,12,000		5,12,000

You are asked to value the goodwill of Toy Gun Manufacturing Co. Ltd. for which purpose the following information is supplied:

- (a) Adequate provision has been made in the accounts for income-tax and depreciation.
- (b) Rate of income-tax may be taken at 50%.
- (c) The average rate of dividend declared by company for the past five-years was 15 per cent.
- (d) The reasonable return on capital invested in the class of business done by the company is 12 per cent.

21. Genesis Ltd. agreed to acquire the business of Oasis Ltd. as on 31st December 2018. Following is the ledger balance of Oasis Ltd.

Cr. Balances	₹	Dr. Balances	₹
Shares capital in fully paid shares of		Goodwill	50,000
₹ 10 each	3,00,000	Land, Buildings and	
General Reserve	80,000	Machinery	3,20,000
Workmen Compensation fund	5,000	Stocks- in-trade	84,000
Profit and Loss Account	55,000		18,000





6% Debentures	50,000	Debtors	28,000
Creditors	10,000	Cash and Bank balance	
	5,00,000		5,00,000

The consideration payable by Genesis Ltd. was agreed as under:

- (i) Cash payment equivalent to ₹ 2.50 for every share of ₹ 10 in Oasis Ltd.
- (ii) Issue of 45,000 ₹ 10 shares fully paid, in Genesis Ltd. having an agreed value of ₹ 15 per share.
- (iii) Issue of such an amount of fully paid 5% Debentures of Genesis Ltd. at 96 percent as is sufficient to discharge the 6% Debentures of Oasis Ltd. at a premium of 20 %.

While arriving at the agreed consideration, the Directors of Genesis Ltd. valued Land, Building and Machinery at ₹ 6,00,000, the stock-in-trade T ₹ 71,000 and the Debtors at their book value subject to an allowance of 5 % to cover doubtful debts.

The cost of liquidation of Oasis Ltd. was ₹ 2,500. On the date of acquisition, Oasis Ltd. had a liability towards a workman for compensation against an injury. The amount was ascertained at ₹ 3,000. The company paid compensation in cash to the worker.

Genesis Ltd. also issued to the public 5,000 shares of ₹10 each at ₹ 15 per share. The shares were fully subscribed and paid for.

You are required to prepare ledger accounts in the books of Oasis Ltd. Also pass opening journal entries in the books of Genesis Ltd. and prepare its Balance Sheet.

22. Explain the features, benefits, uses and users of block chain technology.

(2×5=10 weightage)

