

M.Com. Semester-II Examination, 2020
Subject: Commerce
Paper: COM 204
(Advanced Accounting and Auditing)

Time: 2 Hours

Full Marks: 40

The figures in the margin indicate full marks.
Candidates are required to give their answers in their own words
as far as possible

Module - I

Answer any two questions

10X2=20

1. a) State the steps to be applied in Extinguishment Accounting in case of Strategic Debt Restructuring as per Ind AS 109.
b) What is a Puttable Instrument? When will it be considered as an Equity? 5+5

2. a) What is the Tax Base of a Liability? Explain the term 'Deductible Temporary Difference'.
b) Royalties from users of licensed technology relating to the following financial year amounted to Rs. 100000 at the Financial Statement date. Royalties are taxed on a cash basis. The royalty income is deferred in the Financial Statement until the period to which it relates. Calculate the tax base and deductible temporary difference. 5+5

3. From the following abridged Balance Sheets as on March, 31,2020 and additional information calculate Goodwill (or Capital Reserve) and Reserves & Surplus for the group. You are not required to prepare a Consolidated Balance Sheet.

	X Ltd. Rs.	Y Ltd. Rs.	Z Ltd. Rs.
Equity and Liabilities			
Equity Share Capital (shares of Rs. 100 each)	150000	100000	60000
Reserves	20000	10000	7500
Profit and Loss	50000	30000	25000
Sundry Creditors	20000	25000	15000
X Ltd.	-	10000	8000
Total	240000	175000	115500
Assets			
Goodwill	20000	15000	10000

Property, Plant and Equipment	70000	50000	60000
Investment in Shares of:			
Y Ltd.(750 shares)	90000	-	-
Z Ltd.(100 shares)	15000	-	-
Z Ltd.(350 shares)	-	52000	-
Current Assets	25000	58000	45500
Due from : Y Ltd.	12000	-	-
: Z Ltd.	8000	-	
Total	240000	175000	115500

Additional Information:

- i) All shares were acquired on 01.10.2019.
- ii) On 1.4.2019 the following balances were:

	X Ltd. Rs.	Y Ltd. Rs.	Z Ltd.
Reserves	10000	10000	5000
Profit and Loss	5000	5000 (Dr.)	3000

iii) In November 2019, each company declared and paid an interim dividend of 10%. X Ltd. and Y Ltd. credited their Profit and Loss Account with the dividends received. During 2019-2020, Z Ltd. fabricated a machine costing Rs. 10000 which it sold to Y Ltd. for Rs. 12000, Y Ltd. then sold the machine to X Ltd., for Rs. 13000, the transactions were completed on 31.03.2020.

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Module - II

Answer any two questions

10X2=20

4. Explain the 'Requirements for Reporting on Fraud' and its manner under the Companies Act, 2013.

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5. a) State the statutory provisions for Appointment of Internal Auditor under section 138 of the Companies Act, 2013.

(b) Write a short note on 'Audit Sampling'.

5+5

6. Discuss the relevant provisions of section 139(2) of the Companies Act, 2013 and Rule 6 of the Companies (Audit and Auditors) Rules, 2014 regarding Rotation of Auditors.

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Note: Use the mail id: comv401@gmail.com to send your answer scripts.