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PG/IIIS/MBA/301/24(Old)

MBA 3rd Semester Examination, 2024

MBA

(Advance Financial and Management Accounting)

PAPER – MBA-301(Old)

Full Marks : 100

Time : 3 hours

Answer all questions

The figures in the right hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

GROUP – A

Answer any eight questions : 5 × 8

1. What is Sweat Equity Shares ? State four important rules as per the Companies (Share Capital and Debentures) Rules, 2014 in this respect. 2 + 3

(Turn Over)

2. State the need for Valuation of Shares.
3. State the motives for amalgamation of companies.
4. What do you mean by Capital Reduction ?
State the procedure of Capital Reduction. 2 + 3
5. Briefly state the concepts of Holding Company and Minority Interest.
6. Briefly state the limitations of Ratio Analysis.
7. State the advantages of Cash Flow Statement.
8. Calculate the following ratios, from the details given as under :
 - (i) Current ratio
 - (ii) Acid test ratio
 - (iii) Operating ratio
 - (iv) Gross profit ratio.

Liquid assets Rs. 40,000; Current liabilities Rs. 20,000; Inventories Rs. 10,000; Sales Rs. 50,000; Operating expenses Rs. 15,000; Cost of goods sold Rs. 20,000.

9. What do you mean by Calendar Variance and Capacity Variance ? When do they arise ?
3 + 2
10. State the assumptions of Responsibility Accounting.
11. Distinguish between Budgetary Control and Standard Costing.
12. Write short notes on :
- (i) Cost Centre
 - (ii) Investment Centre.

GROUP – B

Answer any **four** questions from the following :

10 × 4

13. X Ltd. made an issue of 10,000 Equity Shares of Rs. 15 each payable as follows :

- (i) Rs. 4 per share on application**
- (ii) Rs. 7 per share (including Rs. 2 per share as premium) on allotment**
- (iii) Rs. 6 per share on first and final call**

Das holding 50 shares failed to pay the allotment and call monies. Pal holding 80 shares failed to pay the call money. All these shares were forfeited and subsequently re-issued to Roy as fully paid-up @ Rs. 7 per share.

Pass Journal Entries (including cash transactions) to record the above issue, forfeiture and re-issue of shares in the books of the company.

14. The following particulars of a company are available :

- (i) Equity share capital : 10,000 equity shares of Rs. 10 each fully paid.**

- (ii) Preference share capital : 1,000, 12% preference shares of Rs. 100 each fully paid.
- (iii) Reserve and Surplus : Rs. 15,000
- (iv) External Liabilities : Creditors Rs. 12,000;
Bills Payable Rs. 6,000
- (v) The average normal profit after tax earned each year by the company Rs. 28,500.
- (vi) Transferred to general reserve 10%.

Assets of the company include one fictitious item of Rs. 800. The normal rate of return in respect of the equity share of this type of company is ascertained at 10% (ignore goodwill).

Compute the value of the company's share by -

- (a) The asset backing method
- (b) Yield method.

15. What are the different types of amalgamation ?
Distinguish between Pooling of Interests
Method and Purchase Method. 2 + 8
16. From the following information relating to
Wise Ltd., you are required to prepare its
summarized Balance Sheet :

(a) Current ratio	2.5
(b) Acid Test Ratio	1.5
(c) Gross Profit/Sales Ratio	0.2
(d) Net Working Capital/Net Worth Ratio	0.3
(e) Sales/Net Fixed Assets Ratio	2.0
(f) Sales/Net Worth Ratio	1.5
(g) Sales/Debtors Ratio	6.0
(h) Reserves/Capital Ratio	1.0
(i) Net Worth/Long-term Loan Ratio	20.0
(j) Inventories Velocity	2 months
(k) Paid-up Share Capital	Rs.10 lakhs

17. From the following Balance Sheets of H. Ltd. and its subsidiary S. Ltd., as on 31st March 2024, prepare a consolidated balance sheet.

Particulars	Note No.	H Ltd. (Rs.)	S. Ltd. (Rs.)
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital (in shares of Rs. 100 each)		10,00,000	5,00,000
(b) Reserve and Surplus			
Reserves		-	20,000
Surplus Account		1,00,000	50,000
2. Current Liabilities			
(a) Trade Payables (Creditors)		2,00,000	50,000
Total		13,00,000	6,20,000
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets (Tangible)		7,00,000	6,20,000
(b) Non-Current Investments (Investment in the shares of S Ltd 3,000 shares at cost)		6,00,000	-
Total		13,00,000	6,20,000

(8)

H Ltd. purchases shares in S Ltd. on the balance sheet date i.e., 31.03.2024.

- 18.** State the rules applicable in the absence of partnership deed. Also briefly state the different modes of dissolution of partnership firm. 5 + 5

[Internal Assessment — 20 Marks]
