

M.Com. 2nd Semester
MC-201 : CORPORATE FINANCIAL
ACCOUNTING AND AUDITING

Time Allowed—3 Hours] [Maximum Marks—100

Note :— Attempt any *five* questions selecting at least *one* question from each Section. **Fifth** question may be selected from any section. Each question carries **20** marks.

SECTION—A

1. Discuss provisions of company law regarding managerial remuneration.
2. Draw up a proforma of Balance Sheet as per requirements of Schedule III of Companies Act, 2013.

SECTION—B

3. Discuss various methods of valuation of shares. Illustrate your answer.
4. Balance Sheet of S. Ltd. as on 31st March 2017 is as follows :

Equity and Liabilities :	Rs.
Share Capital	6,00,000
Reserves and Surplus	50,000
Bank overdraft	10,000
Creditors	60,000
Provision for taxation	1,10,000
Proposed dividend	60,000
Assets :	
Fixed assets	3,70,000
Current assets	5,20,000

The net profits of a company after deducting usual working expenses but before providing for tax were as under :

Year	Rs.
2013-14	2,18,000
2014-15	2,40,000
2015-16	2,12,000

On 31st March 2016 fixed assets were valued at Rs. 4,50,000. Sundry debtors on the same date included Rs. 10,000 as irrecoverable. Having regard to the nature of the business a 10% return on net tangible capital employed is considered reasonable. Valuation of goodwill may be based upon 3 years purchase of annual super profits. Also calculate goodwill by capitalisation of average maintainable profits. The rate of income tax is 30%

SECTION—C

5. Explain features of :
 - (i) Financial Audit
 - (ii) Cost Audit
 - (iii) Audit by C & G.
6. Explain the clauses of professional misconduct by statutory auditor.

SECTION—D

7. What is management audit ? Discuss its scope. Give rules regarding appointment and qualification of management auditor.
8. How is audit of functional areas conducted ? Elaborate your answer.