

Exam. Code : 217602

Subject Code : 5617

M.Com. 2<sup>nd</sup> Semester

**CORPORATE FINANCIAL ACCOUNTING AND  
AUDITING**

**Paper—MC-201**

Time Allowed—2 Hours] [Maximum Marks—100

**Note :—** There are *eight* questions of equal marks.  
Candidates are required to attempt any  
*four* questions.

1. What has been the effect of the provisions of Companies Act, 2013 on the preparation of final accounts of a company ? Illustrate.
2. What is the concept of divisible profits ? What are the considerations with respect to profits which are to be borne in mind in calculation of managerial remuneration ?
3. From the following information find out Goodwill :
  - (a) as per annuity method,
  - (b) as per 4 years' purchase of super profit, and
  - (c) as per capitalisation of super profit method.

Net profits for four years : I year Rs. 30,000 ; II year Rs. 40,000 III year Rs. 50,000 : IV year Rs. 60,000. The profit includes non-recurring profits on an average basis of Rs. 3,000. Average capital employed Rs. 3,00,000. Normal rate of profit 10%. PV of annuity of Re. 1 for 4 years @ 10% is 2.5.

4. Elaborate the book value and earnings approach to valuation of shares. How do the results of two approaches vary, if at all ?
5. Write notes on :
  - (a) Financial audit ;
  - (b) Efficiency audit.
6. What do you mean by statutory audit ? Discuss the procedure for appointment and removal of a statutory auditor.
7. How do the objectives, scope and method of cost audit and management audit differ ? Explain in the light of their contributions.
8. Audit of management functions is nothing but a new age fad with only costs and no benefits. Register your agreement or disagreement with the statement using relevant supports.