

Roll No.

Total No. of Pages : 03

Total No. of Questions : 17

M.Com (Sem.-4)

CORPORATE ACCOUNTING AND AUDITING

Subject Code : MCOP-403-18

M.Code : 77941

Date of Examination : 06-07-22

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A contains EIGHT questions carrying TWO marks each and students have to attempt ALL questions.
2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and students have to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consists of ONE Case Study carrying TWELVE marks.

SECTION-A

Write short notes on the following :

1. In brief, explain the difference between Capital Expenditure and Capital Income.
2. Define Statutory Audit.
3. What is Internal Control?
4. Define Errors of Omission.
5. Explain the need for Valuation of shares.
6. What do you understand by the term Goodwill?
7. Explain the meaning and objectives of Management Audit.
8. What do you mean by the term Divisible Profits?

SECTION-B

UNIT-I

9. Explain the contents of the Balance Sheet as explained in the Companies Act 2013.
10. What is the overall maximum and minimum remuneration limits as per the provisions of the Companies Act 2013? Explain the provisions regarding the calculations of profits for the purpose of remuneration.

UNIT-II

11. Explain in detail the various methods of Valuation of Goodwill.
12. What is Share valuation? What are the various factors affecting the Valuation of Shares?

UNIT-III

13. State the qualifications and disqualifications of a Statutory Auditor.
14. Define Cost Audit. What is the utility of cost audit to different stakeholders?

UNIT-IV

15. Write a short note on audit of various management functions.
16. Explain the different techniques of Management Audit.

SECTION-C

17. Case Study :

Edukl International Ltd. runs four private colleges which provide education and training for people in the information technology industry. Its two-year course includes training in data processing, multimedia, animation, etc. M/s. Tick Tack & Co. is conducting the interim audit for the year ended 30th June 2005. The tangible fixed assets of each college are recorded in an asset register which is maintained at each college location by the respective college manager. The system operates as described below:

- In order to obtain new assets, a purchase requisition form is completed and approved by the manager at each college.

- The requisition is sent to the head office, where the purchases officer checks the requisition for approval and completes the purchase order for the new asset.
- Assets costing more than Rs. 50,000 are approved by the head of the Accounts Department. All assets over Rs. 2,00,000 require Board of Directors' approval.
- The purchase order is then sent to the supplier and a copy is sent to the central store at the location of the head office.
- The asset is received by the central store where the receiving clerk checks that all the asset details agree with those on the goods received note and the copy of the purchase order. The receiving clerk then issues the asset with its computer-generated sequential barcode number. This barcode is fixed to the asset and written on the goods received note and the supplier invoice.
- The relevant college manager inputs the new asset details into the asset register using a copy of the purchase order, the original requisition and the asset's, barcode.
- For disposal or write-off of an asset, an asset disposal write-off form is completed by the relevant college manager, signed and sent to the head office. Disposals and write-offs are approved by the head of the Accounts Department. A copy of the form is filed at the head office and the approved original returned to the college manager for action. The college manager then updates the fixed asset register for the subsequent disposals/write-off.
- The asset register is maintained on tailored fixed assets accounting systems, known as FAST and reconciled to the general ledger by each college manager monthly.
- The FAST system calculates depreciation automatically each month using the rate input by the college manager at the time the asset was added to the register.

Question :

- a. Identify five internal control strengths in the above case on which the auditor can place reliance.

NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.