ARKA JAIN University Jharkhand — NAAC GRADE A	[20-06-2025] **END SEM EXAMINATION** **School of Commerce & Management**

Program	**Bachelor of Commerce (Hons.)**	**(General & CM)**	
Subject Name	**Principles of Auditing**	**Session**	**Even, 2024-2025**
Semester	**II**	**Year**	**June, 2025**

Time: 3 Hour
Max. Marks : 70

- Start writing from 2nd page onwards; **don't Write on the 1st Page Backside**
- **Answer all Questions of Section A (Compulsory)**
- **Answer Any Four out of Six of Section B**
- **Answer Any Two out of Four of Section C**
- **Possession of Mobile Phones** or any kind of **Written Material, Arguments with the Invigilator or Discussing with Co-Student** will comes under **Unfair Means** and will **Result** in the **Cancellation of the Papers**.

Knowledge Level (KL)	K1 : Remembering	K3 : Applying	K5 : Evaluating
	K2 : Understanding	K4 : Analysing	K6 : Creating

Section A (Each question Carry 01 Mark from Q1-i to xii) – 12 Marks

Q.N 1	QUESTIONS	Marks	COs	KL
i	What is the meaning of audit?	01	CO1	K1
ii	Define Voucher	01	CO1	K1
iii	What is the importance of Audit Notebook?	01	CO1	K1
iv	Explain Investigation	01	CO1	K1
v	Define Cost Audit	01	CO1	K1
vi	What is Audit Program?	01	CO1	K1
vii	Explain Internal Audit	01	CO1	K1
viii	What is contingent liability	01	CO1	K1
ix	Define Internal Check	01	CO1	K1
x	What is a wasting asset?	01	CO1	K1

xi	How would you value lease hold buildings?	01	CO1	K1
xii	What do you mean by Deferred Revenue Expenditure?	01	CO1	K1

Section B (Answer any FOUR out of SIX) – 28 Marks
(Each question Carry 07 Marks)

Q. No.	QUESTIONS	Marks	COs	KL
2	Explain the objectives of Auditing and also write its Scope and Limitations.	07	CO1 CO4	K4 K5
3	What are the points to be noted while auditing a Co-operative Society? Explain	07	CO1 CO2 CO3 CO4	K3 K4 K5
4	Bring out the factors to be kept in mind before commencing a new audit.	07	CO1 CO2 CO4	K4 K5
5	Describe the qualities of auditor. Highlight the advantages of Auditing for different stakeholders.	07	CO1 CO4	K4 K5
6	Vouching is the very important essence of Auditing. Comment.	07	CO1 CO2 CO3 CO4	K4 K5
7	What are the objectives of Verification and Valuations of Assets?	07	CO1 CO3 CO4	K4 K5

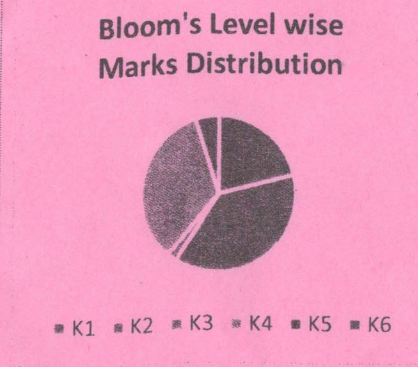
Section C (Answer any TWO out of FOUR) – 30 Marks
(Each question Carry 15 Marks)

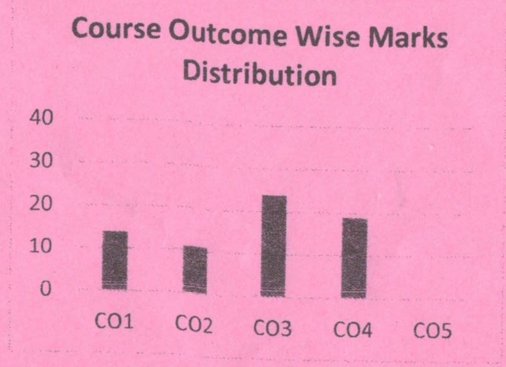
Q. No.	QUESTIONS	Marks	COs	KL
8	What do you understand by Internal Control? Discuss the need for Internal Control. Also explain the elements of a good internal control system.	15	CO1 CO2	K4 K5
9	What is verification? Distinguish between vouching and verification. How would you verify Land and Building?	15	CO1 CO3	K3 K4
10	Describe the duties and liabilities of auditor of Limited Companies.	15	CO1 CO4	K4 K5
11	Explain the procedure involved in the conduct of audit of an educational institution.	15	CO1 CO2 CO3	K3 K4 K5

CO- Course Outcomes, KL- Knowledge Level, PO - Program Outcome

Course Outcomes	CO1	To understand the need of Auditing
	CO2	The difference between Internal Audit & check
	CO3	To understand the process of vouching
	CO4	The pre-requisites to become an auditor limited company

GRAPHICAL REPRESENTATION





10	A ltd. Company issued 10,000 equity shares of Rs.10 each on which the money was payable as follows: Rs.2 per share on Application Rs.2 per share on Allotment Rs.3 per share on First call Rs.3 per share on Final call The company received application for 9,000 shares. All the application were accepted. All money due as stated above were received with the exception of first call on 200 shares. These shares were forfeited before the final call was due. After the Final call, forfeited shares were re-issued at Rs.9 per share fully paid. Show the necessary Journal entries.	15	CO3	KL5
11	On 1st April 2024 'X. Ltd. purchases all the shares of Y ltd. At a cost of Rs.2,50,000.Prepare Consolidated Balance sheet as on 31.03.2025 from the following information: Balance Sheet (As on 31.03.2025)	15	CO4	KL4

Particulars	X Ltd.	Y Ltd.
I. Equity & Liabilities		
1.Sharesholders Fund:		
Shares of Rs.100 each	4,00,000	2,00,000
Reserve Fund (01.04.2024)	50,000	30,000
Statement of P/L	60,000	40,000
2. Current Liabilities:		
Creditors	40,000	30,000
Total	5,50,000	3,00,000
II. ASSETS		
1.Non-current Assets:		
Land & Building	1,80,000	1,50,000
Plant	30,000	50,000
Other Non-current Assets: 2000 shares in Y LTD.(at cost)	2,50,000	………..
2.Current Assets:		
Stock	40,000	60,000
Bank	50,000	40,000
Total	5,50,000	3,00,000

JGi **ARKA JAIN University** Jharkhand — NAAC GRADE A ACCREDITED UNIVERSITY

[23-06-2025]
END SEM EXAMINATION
School of Commerce & Management

Program	**Bachelor of Commerce (Hons.)**		**(General & CM)**
Subject Name	**Corporate Accounting**	Session	**Even, 2024-2025**
Semester	**II**	Year	**June, 2025**

Time: 3 Hour
Max. Marks : 70

- Start writing from 2nd page onwards; **don't Write on the 1st Page Backside**
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Knowledge Level (KL)			
	K1 : Remembering	K3 : Applying	K5 : Evaluating
	K2 : Understanding	K4 : Analysing	K6 : Creating

Section A (Each question Carry 01 Mark from Q1-i to xii) – 12 Marks

Q. N 1	QUESTIONS	Marks	COs	KL
i	Realization account is a: (a) Personal A/c (c) Nominal A/c (b) Real Account (d) All of these	01	CO1	KL1
ii	When preference shares are redeemed, which account is created to maintain capital intact? (a) General Reserve (b) Securities Premium Reserve (c) Capital Redemption Reserve (d) Share Forfeiture Account	01	CO2	KL3
iii	Which of the following items is not included in 'Shareholders' Funds'? (a) Share Capital (b) Debentures (c) Reserves and Surplus (d) Capital Redemption Reserve	01	CO1	KL2
iv	When a holding company acquires shares in a subsidiary at a price higher than the net assets, the difference is: (a) Capital reserve (c) Profit on acquisition (b) Goodwill (d) Investment	01	CO1	KL3

v	If a holding company holds 75% shares in a subsidiary, the minority interest is: (a) 25% (c) 30% (d) 75% (d) 27%	01	CO2	KL4
vi	Which of the following is not a method of calculating purchase consideration? (a) Lump sum method (b) Net payment method (c) Net assets method (d) Market capitalization method	01	CO5	KL1
vii	When shares are issued at a price higher than face value, it is called: (a) Issue at par (c) Issue at Discount (b) Issue at premium (d) None of these	01	CO4	KL5
viii	Forfeiture of shares means: (a) Reissue of shares (b) Issue of bonus shares (c) Cancellation of shares for non-payment (d) Redemption of shares	01	CO3	KL3
ix	Which of the following appears under current liabilities? (a) Debentures (c) Reserves and surplus (b) Creditors (d) Goodwill	01	CO2	KL2
x	Which reserve is created for the redemption of debentures? (a) General Reserve (b) Revaluation Reserve (c) Debenture Redemption Reserve (d) Capital Redemption Reserve	01	CO1	KL4
xi	Which of the following is not a cause of depreciation? (a) Wear and tear (c) Appreciation (b) Obsolescence (d) Effluxion of time	01	CO4	KL4
xii	Premium on redemption of debentures is shown as: (a) Current liability (c) Loss to be written off (b) Capital reserve (d) Provision	01	CO1	KL2

Section B (Answer any FOUR out of SIX) – 28 Marks
(Each question Carry 07 Marks)

Q. No.	QUESTIONS	Marks	COs	KL
2	What is Depreciation? Explain the Causes of depreciation.	07	CO1	KL2
3	What do you understand by amalgamation in the nature of merger? Discuss its essential conditions.	07	CO3	KL3
4	Give specimen of a company's balance sheet according to the companies act, 2013.	07	CO2	KL3
5	A company purchased assets of the book value of Rs.99, 000 from another Co. It was agreed that the purchase consideration be paid by issuing 11% debentures of Rs.100 each. Assume that the debentures have been issued (i) at par (ii) at a discount of 10% and (iii) at a premium of 10%. Give necessary journal entries in the books of purchasing company.	07	CO4	KL4
6	Total assets of Ankit ltd. Was Rs.10, 05,500 (including preliminary expenses Rs.5500). This company's creditors amounted to Rs.1,70,000, Reserve Rs.1,00,000 and Capital of Rs.7,35,500. Total assets of Raju ltd. amounted to Rs.8,50,000, creditors Rs.50,000, Bills payable Rs.20,000 , P/L account credit balance Rs.80,000 and balance of Rs. 7,00,000 as capital. After amalgamation of these companies, Ravi Ltd. was formed. Calculate Purchase consideration for both companies.	07	CO1	KL4
7	ABC ltd. purchased a Machinery on 1st Jan, 2021 for Rs.60,000. On 1st July, 2021 it purchased another machine for Rs.20, 000. On 1st July, 2023 it sold off the first machine purchased on 1st Jan.2021 for Rs.28,000 and on same date purchased a new machinery for Rs.40,000. Depreciation is provided at 10% p.a. on the WDV basis each year. Books are closed each year on 31st December. Show the machinery account for three years.	07	CO5	KL5

Section C (Answer any TWO out of FOUR) – 30 Marks
(Each question Carry 15 Marks)

Q. No.	QUESTIONS	Marks	COs	KL
8	Explain the concept of Amalgamation. What accounting entries are made in the books of transferor company and transferee company?	15	CO2	KL3
9	What is meant by share? Discuss clearly the various types of shares. Distinguish between share and a Debenture	15	CO4	KL4

CO- Course Outcomes, **KL-** Knowledge Level, **PO** – Program Outcome

Course Outcomes	CO1	To study the basic concepts and conventions of Accounting and also learn about the Indian Accounting Standards.
	CO2	To learn the techniques of computerized accounting and enable practical exposure on accounting software
	CO3	To be exposed to accounting techniques with respect to branches and transactions between branches.
	CO4	To learn about accounting for royalty and processes involved.
	CO5	To understand the basic concepts of dissolution of partnership firm along with accounting during insolvency of partners

GRAPHICAL REPRESENTATION