

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao
PGDFT, Semester II, Semester End Examination, June 2022
Post-Graduate Diploma in Finance and Taxation
DFTC 202 Accounting and Taxation

Duration: 3 Hours

Total Marks =(60 Marks)

Instructions:

1. This paper consists of Nine Questions carrying Equal Marks
2. Question No. 1 consists of 5 compulsory questions of 2 Marks each
3. Answer any 5 questions from Question No. 2, 3, 4, 5, 6, 7, 8, and 9
4. Each question carries 10 marks, Figures to the right indicate marks

1. Answer the following:

(5 x 2 Marks)

- I) What are the different forms of AOA? Mention the table and class of companies.
- II) What are the words expression which can be used only after obtaining previous approval of Central Government? Give any four examples.
- III) When is Advance Tax applicable? What are the due dates of payment for all assesses?
- IV) Write a short note on MAT credit.
- V) Write any two methods of valuation of shares.

2. Diana Pvt. Ltd. Provides you the following information:

a. Profits after Tax @40% (in rupees)

Year	Profits
I	15,00,000
II	20,00,000
III	25,00,000
IV	30,00,000

- b. Increase in manager remuneration p.a. Rs. 6,00,000 with effect from the year V (5th year)
- c. Policy as to transfer to reserves- 10% of profits
- d. Rate of tax from the year V -30%, Dividend Tax @20%
- e. Normal rate of expectation from the same industry- 12%
- f. 10% Non trade investments (F.V. Rs. 1,44,000) at cost Rs. 1,80,000
- g. Details of shares:

20,000, 10.5% Preference Shares fully paid up, Rs. 100 each		20,00,000
Equity shares of Rs. 10 each fully paid up		58,00,000
Equity shares of Rs. 10 each, Rs. 8 paid up		32,00,000
Equity shares of Rs. 5 each fully paid up	30,00,000	
Less: Calls in arrears @ Rs. 2	4,00,000	
Equity shares of Rs. 1 each fully paid up		10,00,000

Calculate the value of Equity Share assuming that controlling interest is to be transferred.

(10 Marks)

3. Write a brief note on 234A, 234B, 234C, 234E and 234F with the interest rate and instances when it will be charged?

(10 Marks)

4. Explain briefly different methods of valuation of Goodwill. (ANY THREE)(10 Marks)

5. What are the circumstances when Mergers and Acquisition fails?

(10 Marks)

6. Explain the term Prospectus and different types of Prospectus.

(10 Marks)

7. Sun Private Limited provides the following information for Financial Year 2020-2021

Particulars	Amount
Net profit as per Profit and Loss Account	5,00,000
Depreciation as per books of Accounts	10,000
Depreciation as per section 32 of Income Tax Act	5,000
Provident fund dues of F.Y. 19-20 paid in F.Y. 20-21	4,000
Cash payment to Mr. Moon during the year	20,000
ESIC dues of F.Y. 20-21 not paid till the date of filing of return	10,000
Tax Rate as per normal provisions of Income Tax Act	30%
Surcharge	7%
Health and Education Cess	4%
Book Profit for MAT	3,00,000
MAT/Surcharge/Health and Education Cess	18.5%/7%/4%

Calculate Taxation for the company Sun Private Limited considering MAT and normal provisions of the Income Tax Act. (10 Marks)

8. What is Statement of Affairs? Provide the list from A to E under the same with detailed contents under each head. (10 Marks)

9. a) Fortunate Ltd. finds itself with surplus funds. Its balance sheet is as under:

Liabilities	Rs.	Assets	Rs.
Share Capital		Fixed Assets	12,00,000
5,00,000 equity shares of Rs. 10 each	50,00,0000	Current Assets	
Capital Reserve	2,00,000	Stock	10,00,000
		Debtors	15,00,000
		Cash/ Bank	20,00,000
			45,00,000
		Less Current Liabilities	(5,00,000)
			40,00,000
	52,00,000		52,00,000

The company decides to reduce the share capital by repaying Rs. 3 per share. Pass Journal Entries in the books of Fortunate Limited and Balancesheet after reconstruction. (5 Marks)

9 b) What is the difference between Internal Reconstruction and External Reconstruction. (5 Marks)