THEORY QUESTIONS

CHAPTER – 18 INTRODUCTIONS – SHARES & DEBENTURES ETC. (PAGE NO. – 18.210)

1. Describe the privileges & exemptions enjoyed by a private limited company. VG
2. Define “preference shares”. What are the different kinds of preference shares?
3. What is the purpose of issue of bonus shares? What are the conditions, which have to be fulfilled while making such an issue?
4. What are the different ways in which debentures may be redeemed?
5. Explain Sinking Fund for Redemption of Debentures?

CHAPTER – 19 FINAL ACCOUNTS (PAGE NO. – 19.114)

1. Write a note on the overall managerial remuneration that can be legally paid by a joint stock company?
2. What do you mean by Profits Prior to Incorporation? What is the nature of such profits? How are they calculated and treated in the books of account?
3. Explain “divisible profits” fully.
4. Why are bonus shares issued? What are the conditions which have to be satisfied while making such an issue?
5. What are the circumstances in which bonus shares are generally issued? What profits can be used for such an issue?

CHAPTER – 20 VALUATIONS OF INTANGIBLE ASSETS: GOODWILL & SHARES (PAGE NO. – 20.158)

1. Discuss the main factors affecting the value of a joint stock company?
2. What is Super Profits Method of evaluating goodwill of a joint stock company? VG
3. What are the circumstances in which there may be a need for valuation of shares of a joint stock company? How will you determine the intrinsic value of one equity share of a joint stock company? Explain with the help of an illustration.
4. What is meant by internal reconstruction? Why is it restored to?

CHAPTER – 21 AMALGAMATION & EXTERNAL RECONSTRUCTION (PAGE NO. – 21.178)

1. What do you mean by amalgamation in the light of the Accounting Standard 14 on Accounting for Amalgamations issued by the Institute of Chartered Accountants of India? What are the two types of amalgamations?
2. Describe the conditions which must be fulfilled for an amalgamation in the nature of merger. VG
3. What is the distinction between (i) an amalgamation in the nature of merger & (ii) an amalgamation in the nature of purchase?
4. Distinguish between external reconstruction and amalgamation in the nature of purchase.
5. Briefly describe the methods of accounting for amalgamation.
6. Distinguish between internal reconstruction & external reconstruction.

CHAPTER – 22 HOLDING COMPANIES (PAGE NO. – 22.181)

1. What do you mean by holding companies? What are their advantages & disadvantages?
2. Explain the following terms: -
   1. Minority Interest
   2. Cost of Control
   3. Mutual Owings
3. What is meant by mutual Owings between the holding company & the subsidiary company? How are they treated while preparing a consolidated balance sheet?
4. What is an associated company? How does it differ from a holding company?

CHAPTER – 28 LIQUIDATION (PAGE NO. – 28.42)

1. What is meant by liquidation or winding up of a joint stock company? VG
2. Enumerate the grounds on which a company may be wound up by the court.
3. Distinguish between: -
   1. Compulsory winding up & Voluntary winding up.
   2. Member’s voluntary winding up & creditor’s voluntary winding up.
4. Enumerate preferential payments in case of winding up of a joint stock company.
5. Distinguish between statement of Affairs & Deficiency / Surplus Account prepared on winding up of a company.
6. What do you understand by liquidator’s final statement of account?
7. Who is Receiver for Debenture holders in winding up of a company?
8. What is meant by “B” List of contributories? What is the liability of contributories included in this list?

Chapter 29

What is customized accounting software? What are the steps taken before it is adopted? Also describe the advantages and disadvantages of customized accounting software.

Q. 6 Page 29.5

CHAPTER – 29 (THEORY QUESTIONS) (PAGE NO.: - 29.5)

1. What is customized accounting software? What are the steps which are taken before it is adopted? Also describe the advantages & disadvantages of customized accounting software.
2. Define Enterprise Resource Planning (ERP) Software. What are its advantages & disadvantages? What are the factors which determine the choice of an ERP?
3. Different alternatives like spread-sheet package, pre-packaged accounting software & ERP package are available to adopt computerized accounting system. What are the points you would consider while choosing an alternative?
4. What is computerized accounting system? Describe its features.

**Q.1 Page No.29.5**