



B.Com. IV Semester Degree Examination, September/October - 2023

COMMERCE

Advanced Corporate Accounting

(NEP)

Time : 2 Hours

Maximum Marks : 60

Note : Answer *all* the sections.

SECTION - A

1. Answer the following sub-questions, each sub-question carries **one** mark. **10x1=10**

- (a) What do you mean by redeemable preference shares ?
- (b) Give any two sources of capital reserves/profits for issue of bonus shares.
- (c) What is amalgamation of companies ?
- (d) What are the methods of purchase consideration ?
- (e) What is internal reconstruction ?
- (f) What is the reduction of share capital ?
- (g) Expand NCLT.
- (h) What is liquidators final statement of account ?
- (i) What is Environmental Accounting ?
- (j) Write any two accounting standards issued by ICAI.



5. Explain the steps to be taken in formulating the scheme of reconstruction.
6. 'X' Com. Ltd. went into voluntary liquidation on 31-3-2023. It furnishes the following information.

Assets realised	Rs. 1,00,000
Unsecured creditors	Rs. 1,50,000
Preferential creditors	Rs. 25,000
Cost of liquidation	Rs. 2,300

Liquidator's Remuneration

- (a) 5% on assets realised
 (b) 3% on amount paid to unsecured creditors

Calculate liquidator's remuneration.

7. Write the meaning of Accounting Standards and explain the significance of Accounting Standards.

SECTION - C

Answer **any three** of the following question, each question carries **ten** marks.

8. The following is the Balance Sheet of Sri Lakshmi Ltd. as on 31/3/23. **3x10=30**

Particular	Note No.	Amount (Rs)
(I). Equity and Liabilities :		
1. Shareholders Funds :		
(a) Share Capital	1	11,20,000
(b) Reserves and Surplus (Profits)	2	6,00,000
2. Non Current Liabilities		
Long term borrowings		
(12% Debentures)	3	2,00,000
3. Current liabilities creditors	4	2,00,000
Total		21,20,000
(II). Assets :		
1. Non Current assets		
Tangible fixed assets	5	14,00,000
2. Current Assets :		
Cash and cash equivalent	6	7,20,000
Total		21,20,000



Notes to Balance Sheet :

1. Share capital :

4,000 equity shares of Rs. 200 each fully paid	8,00,000
2,000 redeemable preference shares of Rs. 200 each Rs. 160 paid up	3,20,000
Total	<u>11,20,000</u>

Preference share are redeemed on the above date at 10% premium.

Pass journal entries and prepare Balance Sheet after redemption.

9. The following are the balance sheets of P Ltd. and Q Ltd as on 31/3/2023.

Particulars	Note No.	P Ltd.	Q Ltd.
(I) Equity and Liabilities :			
Share holder Funds :			
Share Capital (Shares of Rs. 10 each)	1	3,00,000	1,50,000
Reserve & Surplus	2	60,000	50,000
Current Liabilities			
Trade Payables	3	65,000	50,000
Total		4,25,000	2,50,000
(II) Assets :			
Non Current Assets :			
Tangible fixed Assets	4	2,70,000	1,40,000
Current Assets :			
Inventories	5	50,000	40,000
Trade receivables	6	95,000	64,000
Cash & cash equivalent	7	10,000	6,000
Total		4,25,000	2,50,000



Notes to Accounts :

		P Ltd.	Q Ltd
Note No : 1	Equity share capital :		
	Equity share capital (Shares of Rs. 10 each)	3,00,000	1,50,000
		3,00,000	1,50,000
Note No. 2 :	Reserves & surplus :		
	Reserve Fund	60,000	40,000
	Workmen's compensation fund	-	10,000
		60,000	50,000
Note No : 3	Trade Payables :		
	Sundry creditors	60,000	40,000
	Bills Payables	5,000	10,000
	Total	65,000	50,000
Note No: 4	Tangible Fixed Assets :		
	Fixed Assets	2,70,000	1,40,000
		2,70,000	1,40,000
Note No : 5	Inventories :		
	Inventories /Stock	50,000	40,000
		50,000	40,000
Note No : 6	Trade receivables :		
	Sundry Debtors	80,000	60,000
	Bills Receivables	15,000	4,000
		95,000	64,000
Note No : 7	Cash & Cash equivalent :		
	Cash & bank balance	10,000	6,000
		10,000	6,000



Both the Companies have agreed to amalgamate and form R Ltd., Which will take over all the assets and liabilities of both companies.

- (a) The shareholders of P Ltd are issued four (4) share of Rs. 10 each at Rs. 12 per share in exchange for three (3) shares in P Ltd.
- (b) The assets and liabilities of Q Ltd are to be taken over at book values subject to 5% provision on debtors and bills receivables ; and 10% depreciation on sundry fixed assets. Goodwill of a Q Ltd was valued at Rs. 25,000.

Compute purchase consideration of both Companies and prepare amalgamated Balance Sheet of R Ltd.

10. The following is the balance sheet of Lucky Ltd. on 31/3/2023.

Particulars	Note No.	Rs.
(I). Equity & Liabilities :		
Shareholders Funds :		
Share capital	1	12,50,000
Reserves & Surplus	2	(-) 1,45,000
Current Liabilities :		
Trade payable	3	30,000
Other	4	20,000
Total		11,55,000
(II). Assets :		
Non current Assets :		
Tangible fixed assets	5	1,73,000
Intangible fixed assets	6	8,50,000
Current Assets :		
Inventories	7	55,000
Trade receivable	8	76,500
Cash and cash equivalents	9	500
Total		11,55,000



Notes to Accounts :

Note No : 1	Share Capital :	
	Authorised Capitals.	
	10,000 preference shares of Rs. 100 each	10,00,000
	10,000 equity shares of Rs. 100 each	10,00,000
	Subscribed Capitals :	
	7,500 preference shares of Rs. 100 each	7,50,000
	fully paid 5,000 equity shares of	5,00,000
	Rs. 100 each fully paid	
	Total	12,50,000
Note No : 2	Reserves & Surplus :	
	Discount on issue of shares	(-) 18,000
	Profit & Loss A/c. debit balance	(-) 1,15,000
	Priliminary expenses	(-) 12,000
		(-) 1,45,000
Note No : 3	Trade Payables creditors	30,000
		30,000
Note No : 4	Others :	
	Bank overdraft	20,000
	Total	20,000
Note No : 5	Tangible Fixed Assets :	
	Leasehold premises	1,30,800
	Plant & Machinary	42,200
	Total	1,73,000
Note No : 6	Intangible Fixed Assets :	
	Patents	8,50,000
		8,50,000
Note No : 7	Inventories Stock	55,000
		55,000
Note No : 8	Trade receivables :	
	Debtors	76,500
	Total	76,500
Note No : 9	Cash & Cash equivalent :	
		500
		500

The Company suffered heavy losses and was not getting well. The following scheme of reconstruction was adopted.

1. The preference shares be reduced to an equal number of fully paid shares of Rs. 50 each.
2. The equity shares be reduced to an equal number of fully paid shares of Rs. 25 each.



3. The amount so available be used to write off Rs. 30,800 of the leasehold premises ; Rs. 15,000 of stock ; 20% of plant and machinery and sundry debtors ; and balance available of patents.

Journalise the transactions and prepare balance sheet after the reconstruction has been carried out.

11. The Unlucky Ltd., went into voluntary liquidation on 31/3/2023, at which date preference shares dividend was in arrears for one year. The issued capital comprised of as under.

1,000 8% Preference share of Rs. 100 each fully paid up

10,000 Equity shares of Rs. 10 each fully paid up

20,000 equity shares of Rs. 10 each Rs. 8 paid up

30,000 equity shares of Rs. 10 each Rs. 5 paid up

The assets realised Rs. 1,50,000. Expenses of liquidation came to Rs. 1,600. The unsecured creditors amounted to Rs. 45,000 including Rs. 5,000 preferential creditors. The liquidator's remuneration is fixed at 3% commission on the amount of assets and 2% commission on the amount distributed to unsecured creditors.

The preference share holders have priority over all the equity share holders with regard to repayment of capital and dividends.

Prepare the liquidators final statement of account assuming that the necessary calls are made and received to settle the rights of the shareholders.

12. What is Human resource Accounting ? Explain the advantages and disadvantages of HRA.

- o o o -

