



## B.Com. IV Semester Degree Examination, Sept./Oct. - 2024

### COMMERCE

#### DSC 10 : 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 are divisible profits ?
  - (b) Define Human Resources Accounting.
  - (c) Mention two types of reconstruction.
  - (d) What is acquisitions ?
  - (e) What are the types of Amalgamation ?
  - (f) What are Bonus Shares ?
  - (g) Who is liquidator ?
  - (h) What is Voluntary liquidation of a company ?
  - (i) What do you mean by alteration of share capital ?
  - (j) Give the meaning of social responsibility Accounting.



**SECTION - B**

Answer **any four** of the following questions, each question carries **five** marks.

**4x5=20**

2. The following balance are appearing in the ledger of a company as on 31.12.2022.

Equity shares (fully paid up)	₹ 6,00,000
Redeemable preference share (fully paid up)	₹ 3,00,000
General Reserve	₹ 2,00,000
Profit and loss a/c (credit balance)	₹ 1,25,000
Share premium account	₹ 50,000

The company decided to redeem the preference shares out of general reserve and the balance out of undistributed profits.

Give the Journal entries relating to the redemption of preference shares.

3. The position of the 'N' Co. as on 31-03-2019 was as follows.

Sundry Assets	₹ 13,00,000
Current Liabilities	₹ 2,50,000
10% Debentures	₹ 3,50,000

Eshwar Co. agreed to takeover the business of the above company except 10% debentures, on the following terms :

- Sundry assets are to be valued at ₹ 10,75,000
- Current liabilities are to be taken at 20% less. Calculate purchase consideration.

4. PQR Co. Ltd. decided to go for internal reconstruction on the following terms.

- 10,000 equity shares of ₹ 10 each fully paid reduced to ₹ 5 each fully paid.
- 5,000 preference shares of ₹ 10 each fully paid reduced to shares of ₹ 5 each fully paid.
- 100 10% debentures of ₹ 500 each converted into 500 6% debentures of ₹ 50 each.
- The debit balance of profit and loss a/c of ₹ 25,000 and preliminary expenses of ₹ 30,000 were to be written-off.
- The value of plant and machinery and stock were written-off by ₹ 15,000 and ₹ 12,500 respectively.

Pass Journal entries.



5. Siddu Ltd. provides the following information.

<b>Particulars</b>	<b>₹</b>
Liquidation expenses	6,000
Preferential creditors	7,000
Unsecured creditors	18,000
Debentures	21,000
Assets realised	1,90,000

Liquidator is entitled to a remuneration of 5% on assets realised and 6% commission on unsecured creditors.

Calculate the Commission.

6. What are the objectives of Accounting Standards ?
7. Explain the difference between Merger Method and Purchase Method.

### SECTION - C

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

**3x10=30**

8. The following is the Balance Sheet of Manju Ltd. as on 31-03-2023.

<b>Particular</b>	<b>Note</b>	<b>₹</b>
<b>(I) Equity and Liabilities</b>		
(1) Shareholders Funds :		
(a) Share capital	1	6,98,000
(b) Reserves and Surplus	-	2,40,000
(2) Non-current liabilities		
(3) Current liabilities (creditors)	-	52,000
<b>Total</b>		<b>9,90,000</b>
<b>(II) Assets</b>		
(1) Non-current Assets :		
Tangible fixed assets	-	6,10,000
(2) Current Assets :		
Cash and cash equivalents	-	3,80,000
<b>Total</b>		<b>9,90,000</b>
<b>Notes :</b>		
<b>1. Share capital</b>		
5,000 equity shares of ₹ 100 each fully paid		5,00,000
2,000 redeemable preference share of		
₹ 100 each	2,00,000	
Less : calls unpaid (₹ 10 per share)	2,000	1,98,000
<b>Total</b>		<b>6,98,000</b>

On the above date preference shares are redeemed to the extent possible at a premium of 5% out of profit and loss account. Pass Journal entries and show an ended Balance Sheet.



9. 'A' Ltd. and 'B' Ltd. have decided to amalgamate their business by forming New company called 'AB' Ltd. to takeover the assets and liabilities of both the companies on the basis of the following Balance Sheet.

Particular	Note	A Ltd.	B Ltd.
<b>I. Equity and liabilities</b>			
Shareholders funds :			
Share capital	-	3,00,000	3,00,000
Reserves and surplus	1	(-)60,000	20,000
Current liabilities : Trade payables	2	55,000	70,000
<b>Total</b>		<b><u>2,95,000</u></b>	<b><u>3,90,000</u></b>
<b>II. Assets</b>			
Non-current assets :			
Tangible fixed assets	3	1,60,000	1,90,000
Intangible fixed assets (Goodwill)	-	-	50,000
Current Assets			
Inventories (stock)	-	80,000	50,000
Trade receivable's (Debtors)	-	35,000	70,000
Cash and Cash equivalents (cash)	-	20,000	30,000
<b>Total</b>		<b><u>2,95,000</u></b>	<b><u>3,90,000</u></b>
<b>Notes</b>		<b>A Ltd.</b>	<b>B Ltd.</b>
<b>1. Reserves and Surplus</b>			
General Reserve		-	10,000
Profit and Loss Account		(-)60,000	10,000
<b>Total</b>		<b><u>(-)60,000</u></b>	<b><u>20,000</u></b>
<b>2. Trade Payables :</b>			
Bills payable		25,000	30,000
Creditors		30,000	40,000
<b>Total</b>		<b><u>55,000</u></b>	<b><u>70,000</u></b>
<b>3. Tangible fixed assets</b>			
Buildings		70,000	1,00,000
Furniture		90,000	90,000
<b>Total</b>		<b><u>1,60,000</u></b>	<b><u>1,90,000</u></b>
<b>4. Trade Receivable's</b>			
Debtors		20,000	40,000
Bills Receivables		15,000	30,000
<b>Total</b>		<b><u>35,000</u></b>	<b><u>70,000</u></b>

Ascertain the purchase consideration of each company and prepare the amalgamated Balance Sheet. Apply Merger Method.



10. Discuss the needs and features of Social Accounting.  
 11. The Balance Sheet of Kishor Co. Ltd. on 31-12-2021 is as under.

Particular	Note	₹
<b>I. Equity and Liabilities</b>		
Shareholders Funds :		
Share capital	1	7,00,000
Reserves and surplus	2	(-) 1,80,000
Non-current liabilities		
10% Debentures	-	50,000
Current Liabilities :		
Trade payables (creditors)	-	40,000
Others (Bank overdraft)	-	10,000
<b>Total</b>		<b><u>6,20,000</u></b>
<b>II. Assets</b>		
Non-current Assets :		
Tangible fixed Assets	3	4,50,000
Intangible fixed Assets		
Goodwill	-	30,000
Current Assets :		
Inventories (stock-in-trade)	-	35,000
Trade receivables (Debtors)	-	85,000
Cash and cash equivalents (cash)	-	20,000
<b>Total</b>		<b><u>6,20,000</u></b>
<b>Notes</b>		
<b>1. Share Capital :</b>		
2,000 9% cumulative preference shares of ₹ 100 each		2,00,000
5,000 equity shares of ₹ 100 each		5,00,000
<b>Total</b>		<b><u>7,00,000</u></b>
<b>2. Reserves and Surplus</b>		
Preliminary expenses		(-) 20,000
Profit and loss account (debit balance)		(-) 1,60,000
		(-) 1,80,000
<b>3. Tangible fixed assets</b>		
Buildings		2,00,000
Machinery		2,00,000
Furniture		50,000
<b>Total</b>		<b><u>4,50,000</u></b>



The following scheme of reconstruction is adopted with consent of all :

- (a) The preference shares be reduced to ₹ 75 per share as fully paid.
- (b) The equity shares be reduced to ₹ 50 per share fully paid.
- (c) The debenture holder to takeover the stock in fully satisfaction of the amount due to them.
- (d) The amount so available be used to write-off goodwill preliminary expenses, losses and depreciate buildings and machinery at 10% each and write-off book debts ₹ 10,000 as bad and doubtful.
- (e) The repayment of the bank overdraft.

Pass the Journal entries and prepare the revised Balance Sheet of the company after reconstruction.

**12.** The Vijay Co. Ltd. went into voluntary liquidation on 31-12-2022. The capital of the company consisted of :

- (a) 2,000 12% preference shares of ₹ 100 each fully paid.
- (b) 25,000 equity shares of ₹ 10 each fully paid.
- (c) 30,000 equity shares of ₹ 10 each ₹ 8 paid up.
- (d) 40,000 equity shares of ₹ 10 each ₹ 7 paid up.

The dividend on the preference shares was in arrears for one year. The unsecured creditors ₹ 1,00,000 included ₹ 25,000 towards preferential creditors.

The assets realised ₹ 4,49,000. The liquidation expenses amounted to ₹ 7,520. The liquidators remuneration was fixed at ₹ 8,000 and a commission of 2% on the amount paid to preference shareholders as capital and dividend.

Preference shareholders have priority in regard to repayment of capital and dividend over equity shareholders.

Prepare Liquidators Final Statement of account.

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