

Aswathy

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Reg. No. : 59.019142012

Name : ...Harna:S.....

First Semester M.Com. Degree Examination, December 2019
Paper V – CO 215 – ADVANCED CORPORATE ACCOUNTING AND
REPORTING
(2018 Admission onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** marks.

1. What do you mean by IFRS?
2. Define goodwill.
- ✓ 3. Define accounting standard.
4. What do you mean by cost of control?
5. What is purchase consideration?
6. What do you mean by cross holding?
7. What is a deficiency account?
8. What do you mean by ex- interest?
9. What do you mean by minority interest?
10. State two Accounting Standards.

(10 × 2 = 20 Marks)

P.T.O.



SECTION – B

Answer any five questions. Each question carries 5 marks.

- (11) Differentiate between amalgamation in the nature of purchase and amalgamation in the nature of merger.
 - (12) Write about the applicability of Accounting Standards.
 - (13) What do you mean by goodwill? Explain about the super profit method for calculating the goodwill.
 - (14) Write a note on holding company and subsidiary company.
 - (15) Write short notes on pre-acquisition profit, post-acquisition profit, goodwill and minority interest.
16. X Fire Insurance Co. Ltd. Commenced its business on 1.4.2010. it submits you the following information for the year ended 31.3.2011.

Premium received 15,00,000

Re insurance premium paid 1,00,000

Claims paid 7,00,000

Expenses of management 3,00,000

Commission paid 5,00,000

Claims outstanding 1,00,000

Create reserve for unexpired risk @ 40%

Prepare Revenue a/c for the year ended 31.3.2011

17. A Ltd. is to be liquidated. Ledger balances in its books as at 30th September 2012, appears as under:

Cr. Balance		Dr. Balance	
	Rs.		Rs.
2,50,000 equity shares of Rs. 10 each	25,00,000	Land and balance	5,00,000
Secured debentures (on land and buildings)	10,00,000	Other fixed assets	20,00,000
Unsecured loans			
Trade creditors	20,00,000	Current assets	45,00,000
	35,00,000	Surplus a/c	20,00,000
	<u>90,00,000</u>		<u>90,00,000</u>

Contingent liabilities are:

For bills discounted 1,00,000

For excise duty demands 1,50,000

On investigation, it is found that the contingent liabilities are certain to devolve and that the assets are likely to be realized as follows:

Land and building	11,00,000
Other fixed assets	18,00,000
Current assets	35,00,000

Taking the above into account, prepare Statement of Affairs.

18. Calculate purchase consideration

B Co. Ltd agrees to give for every 10 shares in A Ltd. 15 shares of Rs. 10 each, Rs. 8 paid up. B Co. Ltd also agrees to pay Rs. 15,000 cash to discharge the creditors.

(5 × 5 = 25 Marks)

SECTION – C

Answer any **two** questions. **Each** question carries **15** marks.

19. Write about types of amalgamation.

20. Write a note on different modes of winding up.

21. Prepare balance sheet from the following information Liabilities and assets of Z Ltd and A Ltd are given below as at 31st March 2019.

Liabilities	Z Ltd	A Ltd	Assets	Z Ltd	A Ltd
Share capital	2,00,000	4,00,000	Sundry Assets (no goodwill)	3,10,000	6,00,000
Reserves and surplus	40,000	1,00,000	Loan of A Ltd	30,000	
7% debentures (Rs. 100)	1,00,000		Investments	50,000	
Loan from Z Ltd		30,000			
Other Liabilities	50,000	70,000			
	<u>3,90,000</u>	<u>6,00,000</u>		<u>3,90,000</u>	<u>6,00,000</u>

A Ltd takes over Z Ltd on the following terms:

- (a) A Ltd. will issue sufficient number of shares at Rs. 11 each and pay 50 paise cash per share held by members of Z Ltd.
- (b) 7% Debentures of Z Ltd. are taken over by A Ltd along with other liabilities of Z Ltd.

22. Write proforma of consolidated balance sheet.

(2 × 15 = 30 Marks)



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Name : A. K. S.

First Semester M.Com. Degree Examination, February 2019
Paper – V : CO 215 : ADVANCED CORPORATE ACCOUNTING AND
REPORTING
(2018 Scheme)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions in **two** or **three** sentences. **Each** question carries **2** marks.

1. Differentiate compulsory winding up and voluntary winding up.
2. State any two significance of IFRS.
3. What is a loss of profit insurance ?
4. What do you mean by Ex dividend and Cum dividend ?
5. What is minority interest ? ★
6. How the bonus shares are treated while preparing consolidated financial statements ?
7. What do you mean by 'Intrinsic value' ?
8. What is a merger ?
9. Who are unsecured creditors ?
10. Who may petition for compulsory winding up of companies ? (10×2=20 Marks)



P.T.O.

SECTION - B



Answer **any five** questions. **Each** question carries **5** marks.

- ~~11.~~ List out the accounting standards applied in preparation of final accounts of company.
- ~~12.~~ Enumerate the grounds on which a company may be wound up by the company.
13. What is an associated company? How does it differ from a holding company?
- ~~14.~~ Explain the conditions which must be fulfilled for an amalgamation in the nature of merger.
15. On 1-1-2017, X Ltd. had 10000 equity shares of Rs. 10 each in A Ltd. purchased for Rs. 1,25,000. The company, unlike investment companies, does not make any apportionments of dividend (received or receivable) between capital and revenue.

On 15-5-2016, A Ltd. made a bonus issued of 1 fully paid share for 2 held on 15-5-2017. In addition, on the same day, right shares were issued at 3 for 5 held on that date at a premium of Rs. 3, Rs. 7 to be paid on application and the balance in one call after a month. These shares are not a rank for dividend for the year ending 30th June, 2017. 2000 right shares were taken up by X Ltd., balance rights being sold at Rs. 2 each on 25-5-2017.

On 15-10-2017 A Ltd. declared a dividend of 20% for the year ending 30th June 2017.

Make out the investment account in the books of X Ltd. Ignore the Income Tax.

- ~~16.~~ A fire occurred in the premises of Mr. Dheenadayalan on 15th Aug. 2017. A large part of the stock was destroyed and Rs. 7,500 was realised for the salvage. For the period from 1st January 2017 to 15th August 2017, the following information is available.

- i) Purchases amounted to Rs. 42,500
- ii) Sales amounted to Rs. 45,000





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- iii) Stock on hand on 1st Jan. 2017 was Rs. 20,000 at cost price
 iv) Goods costing Rs. 2,500 were taken by Dheenadayalan for his personal use.

The previous accounts reveal that the rate of gross profit was 33 1/3% on sales.
 The insurance policy was for Rs. 25,000 and included an average clause.
 Prepare the statement of claim to be made on the insurance company.

17. The following are the Balance Sheets of H Ltd. and S Ltd. as at 31st March 2017 :

Particulars

Note No. Amounts as on 31st March 2017

I. Equity and Liabilities

1) Shareholder's funds

a) Share capital

b) Reserves and surplus

2) Current liabilities

a) Trade payables

H Ltd.

S Ltd.

1
2

5,00,000
1,00,000

80,000
6,80,000

2,00,000
44,000

60,000
3,04,000

II. Assets

Non-current assets

Fixed assets

Non-current investments

Current assets

3,00,000
1,62,400
2,17,600
6,80,000

1,00,000

2,04,000
3,04,000

Notes :

H Ltd.

S Ltd.

1) Share capital

Issued, Subscribed and paid up :

Equity shares of Rs. 10 each, fully paid 5,00,000 3,00,000

2) Reserves and surplus

General Reserves

Less : Preliminary Expenses

1,00,000

50,000

(6,000)

44,000

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3) **Non-current Investments**

60% Equity Shares in S Ltd. at cost

Acquired on 31st March 2012 (cost)

1,62,400

On 31st March 2017 S Ltd. revalued its fixed assets at Rs. 1,10,000. Prepare a Consolidated Balance Sheet of H Ltd. and its subsidiary S Ltd. as at 31st March 2017.

18. Write a note on IFRS.

(5x5=25 Marks)

SECTION - C

Answer **any two** of the following questions. **Each** question carries 15 marks.

19. During the year ended 3 December 2017, Bear - Bull Investment Limited purchased and sold investments as per the following details :

31st March 2017 Purchased 5000 5% debenture of Rs. 100 each of Bear Ltd. at Rs. 97, brokerage and stamp duty amounting to Rs. 2,800. Interest is payable on debenture on 1st July and 1st January.

1st May 2017 Purchased 5000 6% cumulative preference share of Rs.100 each of Bull Ltd. at Rs. 95, brokerage and stamp duty being Rs. 12,000. Dividends are payable on 30th June and 31st December.

1st July 2017 Sold Rs. 3,00,000 debentures of Bear Ltd. at Rs. 99 less brokerage, etc. Rs. 1,800

1st October 2017 Purchased a further 2000 6% cumulative preference shares of Rs. 100 each of Bull Ltd. at Rs. 90, brokerage and stamp duty being Rs. 4,300.

Write up the ledger accounts of these two investments for the year 2017.



20. The Balance Sheets of S Ltd. and H Ltd. as on 30th June 2017, were as follows :

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	(Rs. in crores)			
Liabilities	S Ltd.		H Ltd.	
Equity share capital in fully paid				
Shares of 10 each	80		25	
Reserves and surplus	400		75	
10% 25 lakh debentures of Rs. 100 each	—		25	
Non-current liabilities	120		—	
	600		125	
Assets				
Fixed assets, as cost	200		75	
Less : Depreciation	<u>100</u>	100	<u>50</u>	25
Investments in H Ltd.				
2 crore equity shares of Rs. 10				
each at cost	32			
10% 25 lakh debentures of Rs. 100				
each, at cost	<u>24</u>	56		
Current assets	800		300	
	<u>356</u>	<u>444</u>	<u>200</u>	<u>100</u>
Less : Current liabilities				
		600		125



In a scheme of absorption duly approved by the court, the fixed assets of H Ltd. were taken over at an agreed value of Rs. 30 crore. The current assets and all the liabilities were taken over at par. Outside shareholders of H Ltd. were allotted equity shares in S Ltd. at a premium of Rs. 90 per share in satisfaction of their claims in H Ltd. for record in the books of S Ltd., fixed assets taken over from H Ltd., were revalued at Rs. 40 crore.

The scheme was put through on 1st July 2017.

- a) Give journal entries in the books of S Ltd. to record the transactions.
 - b) Show the Balance Sheet of S Ltd. after absorption of H Ltd.
21. The following are the Balance Sheets of H Ltd. and S Ltd. as at 31st March 2017 :

Particulars Note No. Amounts as on 31st March 2017

H Ltd. S Ltd.

I. Equity and Liabilities

1) Shareholder's funds

a) Share capital	1	10,00,000	2,00,000
b) Reserves and surplus	2	4,60,000	35,000

2) Current liabilities

a) Trade payables		2,30,000	69,000
		16,90,000	3,04,000

II. Assets

Non-current assets

Fixed assets	11,62,000	1,80,000
Non-current investments	1,42,000	
Current assets	3,86,000	1,24,000
	16,90,000	3,04,000





Notes :

1) Share capital

Issued, Subscribed and paid up :
Equity shares of Rs. 10 each, fully paid

H Ltd.

S Ltd.

2) Reserves and surplus

General Reserves

Surplus

Less : Preliminary Expenses

Surplus i.e. credit balance of P and L

10,00,000

2,00,000

3,10,000

-1,50,000

40,000

40,000

(5,000)

4,60,000

35,000

3) Non-current investments

70% Equity Shares in S Ltd. at cost

1,42,000

H Ltd. acquired the shares on 31st December, 2011. On 1st April 2016 S Ltd.'s Profit and Loss Account showed a debit balance of Rs. 8,000. On 31st March, 2017 S Ltd. decided to revalue its fixed assets at Rs. 2,00,000.

22. What is consequential loss policy ? What factors influence the ascertainment of claim under this policy ?
(2×15=30 Marks)

