

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)**

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.

B.Com. END SEMESTER EXAMINATIONS APRIL-2022

SEMESTER - IV

20UCOCT4009 - Advanced Corporate Accounting

Total Duration : 3 Hrs.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. What is liquidation? State the mode of Liquidating company.

2. Calculation of liquidator remuneration:

A liquidator is entitled to receive remuneration @ 2% of the total assets realised and 3% on the amount distributed among the unsecured creditors. The assets realised Rs.70,00,000 against which payment was made as follows:

Liquidation expenses Rs.50,000

Preferential creditors Rs.1,50,000

Secured creditors Rs.40,000 and unsecured creditors Rs.30,00,000

Calculate the total remuneration payable to the liquidators .

3. The revenue account of life insurance company showed the life fund at Rs.73,17,000 on 31.3.006 before taking into account the following items.

i) Claims intimated but not admitted 98,250

ii) Bonus utilised in reduction of premium 13,500

iii) Interest accrued on investment 29,750

iv) Outstanding premium 27,000

v) Claims covered under reinsurance 40,500

vi) Provision for taxation 31,500

Pass the journal entries giving effect to the above adjustment and show the adjusted life fund.

4. From the following particulars , prepare a profit and loss account of new bank ltd for this year ended 31.12.2020

Particular	Amount	Particular	Amount
Interest on loan	2,60,000	Discount on bills discounted	2,00,000
Interest on fixed deposits	2,80,000	Interest on current account	45,000
Rebate on discounted	50,000	Printing and advertisement	3,000
Commission charged to customer	9,000	Interest on cash credit	2,25,000
Establishment expense	56,000	Rent and tax	20,000
Interest on overdraft	56,000	Directors and auditors fees	4,000
Interest on savings bank account	70,000	Postages and telegram	2,000
Sundry expense	2,000		

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5. Following is the balance sheet of K Ltd as on 31.12.1980.

Liabilities	Amount	Assets	Amount
2000 shares of Rs.10 each fully paid	20,000	Good will	4,000
Profit and loss account	7,000	Fixed assets	16,500
Debentures	10,000	Current assets	19,500
Creditors	3,000		
Total	40,000	Total	40,000

R limited agreed to take over the assets of K. Ltd (exclusive of one fixed assets of Rs.4,000 and cash Rs.1,000 included in current assets) at 10% more then the book value.It agreed to take over the creditors also.The purchase price was to be discharged by issue of 2,000 shares of Rs.10 each at the market value of Rs.15 each and balance in cash. liquidation expense came to Rs.400. K Ltd, sold the fixed assets of Rs.4,000 and realised the book value.It paid off its debentures and liquidation expense. You are required to prepare journal entries in the books K Ltd.and R Ltd.

6. From the following particulars prepare revenue account in respect of fire insurance business for the year ending on 3.03.2006.

Particular	Amount
Reserve and surplus	2,50,000
Additional reserve and surplus	50,000
Survey expense	10,000
Commission paid	90,000
Claims paid and outstanding	1,80,000
Bad debts	5,000
Commission earned on reinsurance cessed	30,000
Premium less expense	6,00,000
Management expense	1,45,000

In addition to usual reserve additional reserve is to be increased by 5% of net premium.

7. What are the disclosure requirements relating to fixed assets under AS- 10?
8. What are the schedule prepared to finalise life insurance Accounts?

Section B

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. From the figure stated below prepare a revenue account and valuation balance sheet as on dated 31.03.2006.Showing surplus for policy holder,

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Particular	Amount (Rs,000)	Particular	Amount (Rs,000)
Claims paid	450	Sunders	150
Premium	3,750	Net liability on policies inforce on 31.3.2006	8,425
Interest and dividend	2,250	Bonus in reduction of premium	75
Profit on sale of investment	12	Commission	60
Consideration for annuities granted	150	Life assurance fund	6,000
Annuity	20		

10. The following information has been extracted from the balance sheets of P Ltd. and S Ltd. as on 31st March, 2012:

	P Ltd. ₹'000	S Ltd. ₹'000
<u>Liabilities:</u>		
Equity Share Capital, ₹10 each, fully paid	72,000	30,000
11% Preference Share Capital, ₹10 each, fully paid		17,000
General Reserve	8,000	6,500
Profit and Loss Account	7,500	4,000
9% Debentures, ₹100 each, fully paid		5,000
Trade Payable	11,500	3,500
	99,000	66,000
<u>Assets:</u>		
Land and Buildings	25,000	
Plant and Machinery	32,500	29,000
Furniture and Fittings	5,750	9,410
Inventories	21,500	17,390
Trade Receivables	7,250	5,200
Balance with Bank	7,000	5,000
	99,000	66,000

P Ltd. takes over S Ltd. on 1st April, 2012, and discharges consideration for the business as follows:

- (i) Issued 35 lakh fully paid equity shares of Rs 10 each at par to the equity shareholders of S Ltd.
- (ii) Issued fully paid 12% preference shares of Rs 10 each to discharge the preference shareholders of S Ltd. at a premium of 10%.

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It is agreed that the debentures of S Ltd. will be converted into equal number and amount of 10% debentures of P Ltd. You are required to show the balance sheet of P Ltd. assuming that:

- (i) The amalgamation is in the nature of merger, and
- (ii) The amalgamation is in the nature of purchase.

11. The balance sheet of C Ltd and D Ltd as at 31st December ,1986 are as follows:

Liabilities	C Ltd	D Ltd	Assets	C Ltd	D Ltd
Share capital	2,00,000	1,00,000	Sundry assets	1,32,500	1,38,200
General reserve	18,000	20,000	Goodwill	-	20,000
Profit and loss	24,500	23,000	Shares in D Ltd at cost	1,40,000	-
Creditors	30,000	15,200			
Total	2,72,000	1,58,200	Total	2,72,000	1,58,200

In the case of D Ltd , profit for the year ended 31st December 1986 is Rs.12,000 and transfer to reserve is Rs.5,000. The holding of C Ltd and in D Ltd is 90% acquired on 30th june 1986. Draft a consolidated balance sheet of C Ltd and its subsidiary.

12. The following information given to you regarding X ltd for the financial year ended 31.3.1997.

Particulars	1.4.96	31.3.97
Monetary assets	80,000	80,000
Monetary liability	1,00,000	1,00,000
Retail index	200	300

Ascertain gain or loss on monetary items .

13. Define Human Resource Accounting and Explain the objectives of this system.
