

**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 NOVEMBER-2022

SEMESTER - IV

20UCOCT4009 - Advanced Corporate Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section A

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

1. Outline the format for Deficiency Accounts in Liquidation.
2. The Revenue account of a Life Insurance Company showed the life fund at Rs.73,17,000 on 31.3.2006 before taking into account the following items:
 - a. Claims intimated but not admitted Rs.98,250.
 - b. Bonus utilised for reduction of premium Rs.13,500.
 - c. Interest accrued on investments Rs.29,750.
 - d. Outstanding premium Rs.27,000.
 - e. Claims covered under reinsurance Rs.40,500.
 - f. Provision for taxation Rs.31,500.

Show the adjusted Life Fund.

3. On 31st March, 2011 a bank held the following bills, discounted by it earlier:

Date of Bill 2011	Term of bill (months)	Discounted @% p.a.	Amount of Bill Rs.
i. February, 9	4	9	1,00,000
ii. February, 17	3	7.5	1,20,00
iii. March, 6	4	8.25	80,000

You are required to calculate the rebate on bills discounted.

4. Following is the Balance Sheet of Samy Ltd., as on 31.3.2009

Liabilities	Rs.	Assets	Rs.
Share Capital:		Fixed Assets	1,62,5000
8% Preference Shares of Rs.100 each	3,75,000	Investments	3,00,000
Equity Shares of Rs.10 each	7,50,000	Current Assets	2,50,000
General Reserve	4,50,000		
7% Debentures	3,50,000		
Current Liabilities	2,50,000		
	21,75,000		21,75,000

Rony Ltd., agreed to takeover the business of Samy Ltd.

Calculate the Purchase Consideration under Net Assets method on the basis of the following:

- a. Rony Ltd., agreed to discharge 7% debentures at a premium of 10% by issuing 9% debentures of Rony Ltd.
- b. Fixed assets are to be valued at 10% above the book value, the investments at par, current assets at 10% discount and current liabilities at book value.

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5. Draw a Consolidated Balance Sheet as on 31.3.1997:

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital: Share of Rs.10 each	4,00,000	1,00,000	Sundry assets	5,00,000	2,00,000
Sundry Liabilities	2,00,000	1,00,000	Investment: 10,000 shares of Rs.10 each in S Ltd.	1,00,000	-
	6,00,000	2,00,000		6,00,000	2,00,000

6. A liquidator is entitled to receive remuneration @ 2% of the 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.40,00,000 and Unsecured

creditors Rs.30,00,000. Calculate the total remuneration payable to the liquidator.

7. From the following prepare Fire Revenue Account for 2011 – 2012:

Particulars	Rs. in lakhs
Claims paid	235
Legal expenses regarding claims	5
Premiums received	600
Reinsurance premiums	60
Commission	100
Expenses of management	150
Provision against unexpired risk on April 1, 2011	260
Claims unpaid on April 1, 2011	20
Claims unpaid on March 31, 2012	35

8. Write a note on amalgamation in the nature of purchase.

Section B

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

9. Explain the circumstances under which voluntary Liquidation of a company takes place.

10. On 31st March, 2013 the books of Zee Insurance Company Limited, contained the following particulars in respect of fire insurance:

Particulars	Rs.
Reserve for unexpired risks on March 31, 2012	5,00,000
Additional reserve for unexpired risks on March 31, 2012	1,00,000
Premiums	11,20,000
Claims paid	6,40,000
Estimated liability in respect of outstanding claims: On March 31, 2012	65,000
On March 31, 2013	90,000
Expenses of management (including Rs.30,000 legal expenses paid in connection with the claims)	2,80,000
Interest and dividend	64,250
Income tax on the above	6,520
Profit on sale of investment	11,000
Commission paid	1,52,000

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On March 31, 2013 provide Rs.5,60,000 as unexpired risk reserve and Rs.75,000 as Additional reserve. You are required to prepare the Fire Insurance Revenue account for the year ended 31st March, 2013.

11. On 31st December 1986. The following balances stood in the books of Asian Bank Ltd., after preparation of its Profit and Loss Account.

Particulars	Rs.(in '000)
Share Capital:	
Issued and subscribed	4,000
Reserve Fund (u/s 17)	6,200
Fixed deposits	42,600
Savings bank deposits	19,000
Current accounts	23,200
Money at call and short notice	1,800
Investments	25,000
Profit and Loss Account (Cr.) 1 st Jan. 1986	1,350
Dividend for 1985	400
Premises	2,950
Cash in Hand	380
Cash with RBI	10,000
Cash with other banks	6,000
Bills discounted and purchased	3,800
Loans, cash credits and overdrafts	51,000
Bills payable	70
Unclaimed dividend	60
Rebate on bills discounted	50
Short loans (borrowing from other banks)	4,750
Furniture	1,164
Other assets	336
Net Profit for 1986	1,550

Prepare Balance sheet of the bank as on 31st December 1986.

12. Sun Ltd., agreed to take over the business of Moon Ltd. Following is the Balance Sheet of Moon Ltd.

Liabilities	Rs.	Assets	Rs.
Equity share Capital	7,00,000	Fixed Assets	12,00,000
Profit & Loss A/c	4,00,000	Other Assets	3,00,000
Sundry Liabilities	4,00,000		
	15,00,000		15,00,000

Sun Ltd., agreed to pay Rs.16 Lakhs as Purchase Consideration fully in the form of Equity shares. Prepare journal entries and Ledger A/c in the books of transferor company. Assuming amalgamation in the nature of merger.

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13. The Balance Sheets of C Ltd., and D Ltd., as at 31st December, 1986 are as follows:

Liabilities	C Ltd. Rs.	D Ltd. Rs.	Assets	C Ltd. Rs.	D Ltd. Rs.
Share Capital (in shares of Rs. 10 each)	2,00,000	1,00,000	Sundry Assets	1,32,500	1,38,200
General Reserve	1,8000	20,000	Goodwill	-	20,000
Profit & Loss A/c	24,500	23,000	Shares in D Ltd., at cost	1,40,000	-
Creditors	30,000	15,200			
	2,72,500	1,58,200		2,72,500	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., in 'D' Ltd., is 90% acquired on 30th June 1986. Draft a consolidated Balance Sheet of 'C' Ltd., and its subsidiary.
