

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-2023

SEMESTER - IV

20UCOCT4009 - Advanced Corporate Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. From the following information, prepare the liquidator's final statements of account.

Particulars	Rs.
Cash at Bank	6,00,000
Expenses on liquidation	30,000
Preferential creditors	2,00,000
Preference shareholders	1,00,000
Surplus from securities	10,10,000
Liquidator's remuneration	7,000
Unsecured creditors	7,00,000
Equity shareholders	1,00,000

2. A Life insurance company disclosed a fund of Rs.25,00,000 on December 31st 2006 before taking the consideration.

- A Claim of Rs.15,000 was intimated and admitted but not paid during the year.
- Premium of Rs.1,000 is payable under reinsurance.
- Reinsurance recoveries Rs.30,000
- Bonus utilized in reduction of premium Rs.8,000.

Compute the amount of fund.

3. Prepare the Revenue account of Jawahar Marine Insurance Co., Ltd. for the year ended 1st March 2016.

Particulars	Rs.	Particulars	Rs.
Reserve for unexpired risk (1.4.15)	500	Claims outstanding (1.4.15)	160
Additional reserve (1.4.15)	50	Claims paid	470
Premium less reinsurance	720	Expenses of management	54
Interest, dividend and rent (Gross)	40	Audit fees	10
Profit on sale of investments	18	Directors' fees	4
Other income	4	Depreciation	5
Commission paid	35	General charges	12

- Claims outstanding at the end Rs.60
- Additional reserve at 10% of premium is to be provided.

4. From the following particulars, prepare profit and loss account of Dhanalakshmi Bank for the year ended 31st March 2016.

Particulars	Rs.	Particulars	Rs.
Interest earned	37,00,000	Operating expenses	4,75,000
Other income	4,55,000	Provisions and contingencies	3,00,000
Interest expended	20,00,000	Transfer to proposed dividend	1,00,000

Contd...

5. Chennai Bank Ltd. held the following bills on 31.03.2021.

Date of Bill	Amount	Term	Discount
January 13	7,50,000	4	12%
February 17	6,00,000	3	10%
March 6	4,00,000	4	11%
March 16	2,00,000	2	10%

Find the amount of rebate on bills discounted.

6. Following is the Balance Sheet of Samy Ltd. as on 31.03.2014

Liabilities	Rs.	Assets	Rs.
8% Pref. Shares of Rs.100 each	3,75,000	Fixed assets	16,25,000
Equity shares of Rs.10 each	7,50,000	Investments	3,00,000
General reserve	4,50,000	Current assets	2,50,000
7% Debentures	3,50,000		
Current Liabilities	2,50,000		
	21,75,000		21,75,000

Romy Ltd. agreed to takeover the business of Samy Ltd. Compute the amount of Purchase Consideration under Net Assets Method on the basis of the following:

- Romy Ltd. agreed to discharge 7% debentures at a premium of 10% by issuing 9% debentures of Romy Ltd.
 - Fixed assets are to be valued at 10% above book value, the investments at par, current assets at 10% discount and current liabilities at book value.
7. Ganesh Ltd. purchased 60% shares of Muruga Ltd. on 1st January 2014 when the balance in their Profit and Loss a/c and General reserve were Rs.1,50,000 and 1,60,000 respectively. On 31st December 2014, the balance sheet of Y Ltd. showed profit and loss a/c balance of Rs.4,00,000 and general reserve of Rs.3,00,000. Illustrate the amount of Capital profit and Revenue Profit.
8. Define Human Resource Accounting and ascertain the main benefits derived from human resource accounting.

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. From the data relating to a company (in voluntary liquidation), you are asked to prepare liquidator's final statement of account.
- Cash with liquidator (after all assets are realised and secured creditors and debenture holders are paid) is Rs.6,73,800
 - Preferential creditors to be paid Rs.30,000
 - Other unsecured creditors Rs.2,15,000
 - 4,000 6% preference shares of Rs.100 each fully paid.
 - 2,000 equity shares of Rs.100 each, Rs.75 per share paid up.
 - 6,000 equity shares of Rs.100 each, Rs.60 per share paid up.
 - Liquidator's remuneration 2% on preferential and other unsecured creditors.
 - Preference dividends were in arrears for 2 years.

10. Construct as per the statutory form, the revenue account of Mahindra Life Insurance Co., Ltd. for the year ended 31st March 2016.

Particulars	Rs. (000)	Particulars	Rs. (000)
Claims by death	76,000	Expenses of management	29,900
Claims by maturity	30,000	Commission	9,600
Premiums	7,05,700	Interest, dividend and rent	97,800
Transfer fees	200	Income tax thereon	27,100
Consideration for annuities	82,300	Surrenders	11,500
Annuities paid	51,000	Bonus in reduction of premium	1,000
Bonus paid in cash	2,000	Dividend paid	5,000
		Life Assurance Fund (1.4.2015)	12,30,000

Additional information (Rs. In thousands): Paid up capital of the company is Rs.5,00,000 and net liability as per actuarial valuation is Rs.9,00,000 as on 31.3.2016. Prepare a valuation balance sheet of the company as on 31.3.2016.

11. From the following particulars determine the amount of profit and construct a profit and loss a/c of new bank limited for the year ended 31.12.2019.

Particulars	Rs.
Interest on loans	2,60,000
Interest on fixed deposit	2,80,000
Rebate on bills discounted	50,000
Commission charged to customers	9,000
Establishment expenses	56,000
Discount on bills discounted	2,00,000
Interest on current account	45,000
Advertisements	3,000
Interest on cash credit	2,25,000
Rent	20,000
Interest on overdraft	56,000
Director's fees	4,000
Interest on savings bank accounts	70,000
Printing expenses	2,000
Sundry charges	2,000

12. Following is the balance sheet of Lotus Ltd. as on 31st March 2016.

Liabilities	Rs.	Assets	Rs.
Share capital	2,50,000	Land and Buildings	3,00,000
Reserve	1,00,000	Furniture	2,00,000
Bank loan	2,00,000	Stock	1,00,000
Creditors	1,50,000	Debtors	50,000
		Profit and loss a/c	50,000
	7,00,000		7,00,000

Lotus Ltd. was absorbed by Mani Ltd. on a purchase consideration of Rs.6,00,000 payable Rs.4,00,000 in cash and 20,000 shares of Rs.10 each. Liquidation expenses were Rs.10,000. Prepare the journal entries of Lotus and Mani limited.

13. Evaluate the financial reporting practices followed in India.
