

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.(A&F) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - IV

20UAFCT4009 - Advanced Corporate Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. What is meant by 'Purchase consideration'?
2. Describe the term 'Holding Company'.
3. On 31st December 2004, a Bank had the following unmatured Bills:

Date of Bill	Amount (Rs.)	Terms (Months)	Discount @
12 th Oct.	36,500	6	7%
7 th Nov.	73,000	4	6.50%
1 st Dec.	18,250	3	6%

4. From the following data relating to claims of an insurance company calculate amount of claims to be debited to revenue account for the year ended 31st March 2006:

	Rs.
Direct claims paid during the year	8,00,000
Claims admitted but not paid on 31.3.2006	70,000
Claims intimated but not admitted on 31.3.2006	30,000
Claims outstanding on 31.3.2005	50,000
Claims recovered under reinsurance	40,000
Reinsurance claims paid	20,000

5. The following particulars relate to a limited company which went into voluntary liquidation.

Preferential Creditors Rs.25,000

Unsecured Creditors Rs.58,000

6% Debentures Rs.30,000

The assets realised Rs.80,000. The expenses of liquidation amount to Rs.1,500 and the liquidators remuneration was agreed at $2\frac{1}{2}\%$ on the amount realised and 2% on the amount paid to unsecured creditors including preferential creditors. show the liquidators final statement of accounts.

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6. The company B takes over the business of company A. The value agreed for various assets is goodwill Rs.32,000, Land and Buildings Rs.25,000, Plant and Machinery Rs.34,000, Stock Rs.13,000, Debtors Rs.8,000. B Company does not take over cash but agrees to assume the liabilities of sundry creditors at Rs.25,000. Calculate purchase consideration.
7. H Ltd. holds the entire share capital of S Ltd. which made a loss of Rs.50,000 in its first year and a profit of Rs.1,10,000 in its second year. In the second year S Ltd. paid a dividend of Rs.40,000. Show journal entries in the books of the holding company assuming that the latter company brings into account all the losses and profits of the subsidiary company.
8. On 31st March 1998, Bharat Commercial Bank Ltd., finds its advances classified as follows:

	(Rs.)
Standard assets	14,91,300
Sub-Standard assets	92,800
Doubtful assets(secured)	
:doubtful for one year	25,660
:doubtful for one year to 3 years	15,640
:doubtful for more than to 3 years	6,580
Loss assets	10,350

Determine the amount of provision to be made by the bank against the above mentioned advances.

Section C

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

9. The balance sheet of X Ltd. and Y Ltd.as on 31.3.2017 are given below:

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
Equity Capital Rs.100 each	4,00,000	3,60,000	Premises	1,20,000	-
General Reserve	75,000	-	Goodwill	-	1,20,000
P & L A/c	38,000	-	Debtors	80,000	1,60,000
Creditors	72,000	1,20,000	Stock	3,00,000	90,000
			Bank	85,000	75,000
			P & L A/c	-	35,000
	5,85,000	4,80,000		5,85,000	4,80,000

A new company, XY Ltd. was formed to take over the businesses in entirely on the following terms:

- X Ltd. Premises to be revalued at Rs.1,50,000. Debtors to be taken over at 90% and stock at Rs.3,15,000.
- Y Ltd. Goodwill to be taken over at Rs.16,000. Debtors to be taken over at Rs.1,50,000 and stock at Rs.75,000.

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It was decided that the purchase consideration of both X and Y Ltd. was discharged by the equity shares of Rs.10 of XY Ltd. Compute Purchase consideration and prepare the Balance Sheet of XY Ltd.

10. The following are the Balance Sheet of H Ltd. and its subsidiary S Ltd. as on 31st Dec 2018.

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)	Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Share Capital of Re.1 per share	10,000	8,000	Buildings	4,000	-
Reserves	4,000	3,000	Pant	1,000	6,000
Bills Payable	2,000	1,000	Stock	4,000	6,000
Creditors	5,000	4,000	Shares in S Ltd.	6,000	-
Profit & Loss A/c	4,000	2,000	Debtors	5,000	3,000
			Bills Receivables	3,000	2,000
			Cash	2,000	1,000
	25,000	18,000		25,000	18,000

Debtors of H Ltd. include Rs.2,000 due from S Ltd. and Bills payable of H Ltd. included a bill of Rs.500 accepted in favour of S Ltd. A Loan of Rs.1,000 given by H Ltd. to S Ltd. was also included in the items of debtors and creditors respectively. Rs.500 was transferred by S Ltd. from Profit and Loss Account to Reserve out of current year's profit. Shares were purchased on 30th June 2004 at par.

11. The following are the figures of advances of a Commercial Bank:

	₹
Advances to priority sector	62,00,000
Advances to public sector	28,00,000
Advances to other banks in India	25,00,000
Other advances	15,00,000
Further details of the above advances were as under:	
Bills purchased & discounted (Including 10,00,000 outside India)	35,00,000
Cash credit, overdraft and loan payable on demand	82,00,000
Term loan	23,00,000

Out of the above advances ₹1,10 lakhs were secured by tangible assets while those ₹20 lakhs were secured by bank or Govt. guarantee. ₹10 lakhs were unsecured. Prepare the schedule of advances as per Banking Regulation Act.

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12. The Life Fund of a Life Insurance Company on 31.3.2006 showed a balance of Rs.54,00,000. However, the following items were not taken into account while preparing the Revenue A/c for 2005-06:

	(Rs.)
(a) Interest and dividends accrued on investments	20,000
(b) Income tax deducted at source on the above	6,000
(c) Reinsurance claims recoverable	7,000
(d) Commission due on reinsurance premium paid	10,000
(e) Bonus in reduction of premiums	3,000

13. Show the format of liquidator's final statement of account.
