

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.(BIM) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - IV

21UBBCT4009 - 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 the main difference between “pooling of interests method” and “purchase method” in amalgamation?
2. X Co., Ltd. took over assets Rs.35,000 and liabilities of Rs.30,000 of Y Co., for the purchase consideration of Rs.33,000 X Co., Ltd. Paid the purchase consideration by issuing debenture of Rs.100 each at a premium of 10%. Give journal entries.
3. Analyse the accounting treatment for “proposed dividend and interim dividend” of the subsidiary company.
4. Calculate Majority & Minority Interest and Goodwill from the following information:

Particulars	H Co., (Rs.)	S Co., (Rs.)
Share Capital of Rs.10 each	10,00,000	5,00,000
Reserves on 1-4-14	40,000	40,000
Profit on 1-4-14	20,000	30,000
Total Reserve on 31-3-14	60,000	1,00,000
Total Reserve on 31-3-15	30,000	80,000

H Company acquired $\frac{4}{5}^{th}$ shares in S Company on 1-4-2014.

5. Mention some forms of business that a banking company can carry on.
6. Enumerate the several types of insurance policies.
7. List out the importance of Human Resource Accounting.
8. Examine the Meaning, Features, Advantages and Disadvantages of Computerized Accounting System.

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Section C

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

9. Given below are the balance sheets of Strong Ltd. and Weak Ltd. as on 31st March 2022. Weak Ltd. was merged with Strong Ltd. on 1st April 2022.

Balance Sheets as on 31st March 2022 (‘ in 000’s)

Liabilities	Strong Ltd. (Rs.)	Weak Ltd. (Rs.)	Assets	Strong Ltd. (Rs.)	Weak Ltd. (Rs.)
Share Capital Equity Share of Rs.100 each	2,500	1,500	Fixed Assets	3,000	2,000
General Reserve	1,000	500	Non-trade Investments	750	500
Profit & Loss A/c	500	375	Current Assets:		
Export Profit Reserve	400	200	Stocks	1,000	750
10% Debentures	600	625	Debtors	1,000	500
Trade Creditors	500	300	Bank Balance	750	300
Tax Provision	500	250	Preliminary Expenses	100	
Proposed Dividend	600	300		100	
	6,600	4,050		6,600	4,050

Other information:

- (i) Strong Ltd. would issue sufficient number of debentures at par to the debenture holders of Weak Ltd.
- (ii) For every share of Weak Ltd, Strong Ltd. would issue one share at a premium of Rs.20 per share.

You are required to prepare the balance sheet of Strong Ltd. after merger assuming it to be in the nature of purchase.

10. Discuss the various steps involved in the preparation of consolidated profit and loss account.

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11. From the following particulars, prepare a profits and loss A/c of Fancy Bank Ltd. for the year ended on 31st March 2022:

Particulars	Amount (Rs.) (In Lakhs)	Particulars	Amount (Rs.) (In Lakhs)
Interest on Loans	130	Interest on Cash Credits	112.5
Interest on Fixed Deposits	140	Rent and Taxes	10
Rebate on Bills Discounted	25	Interest on Overdrafts	28
Commission Charged to Customers	4.5	Director's and Auditor's Fees	2
Establishment Expenses	28	Interest on Savings Bank A/c	35
Discount on Bills Discounted	100	Postage & Email	1
Interest on Current A/c	22.5	Sunday Charges	1
Printing & Advertisements	1.5		

12. A life insurance company gets its valuation made once in every 2 years. Its life assurance fund on 31st March 2022 stood at Rs.58,55,000. Before providing for Rs.55,000 being the shareholders' dividend for 2022, its actual valuation on 31st March 2022 disclosed a net liability of Rs.46,00,000. An interim bonus of Rs.1,00,000 was paid to the policy holders during the previous 2 years. Prepare a statement showing the amount now available as bonus to policy holders, assuming that the policy holders are entitled to 95% of surplus as under LIC Act.
13. Discuss the methods of valuation of Human Assets.
