

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 -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. A liquidator is entitled to receive remuneration @ 2% of the assets realized and 3% on the amount distributed among the unsecured creditors. The assets realized Rs.70,00,000 against which payment was made as follows:
Liquidation expenses Rs.50,000; Preferential creditors Rs.1,50,000 and Secured creditors Rs.40,00,000; Unsecured creditors Rs.30,00,000. Calculate the total remuneration payable to the liquidator.

2. Explain briefly the Accounting system.

3. On 31.03.2008, B Ltd., Finds its advances classified as follows:

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

Calculate the amount of provisions to be made by the bank against the above mentioned advances.

4. B Ltd., agreed to absorb A Ltd., upon the following terms:
Shares of A Ltd., are to be considered as worth ₹12/- each of which shareholders are to be paid one quarter in cash and the balance in ₹100 share of B Ltd., which are to be issued at 25% premium. Total shares were: 10,000 in B Ltd., and 20,000 in A Ltd., ascertain the number of shares to be issued by B Ltd., and Purchase Consideration.
5. A Purchasing company agrees to issue three shares of Rs.10 each paid up at market value of Rs.15 per share for every 5 shares in the vendor company.
Find out the number and number of shares to be issued by the purchasing company if the vendor company has 1,00,000 shares of Rs.10 each Rs.5 paid up.
6. What are the needs of Accounting Standards?
7. Describe the Duties and Remuneration of the Liquidator.
8. Explain the Objective of Corporate Financial Reporting.

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Section C

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

9. The following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the liquidator's final account allowing for his remuneration @ 3% on the amount realized and 2.5% on the amount paid to the unsecured creditors.

Share capital issued:

5,000 preference shares of Rs.100 each (fully paid) 30,000 equity shares of Rs.10 each fully paid
12,000 equity shares of Rs.10 each, Rs.8 paid up Assets realized Rs.9,24,000 excluding amount realized by sale of securities held by the secured creditors.

Preferential creditors – Rs.24,000 Unsecured creditors – Rs.8,51,094

Secured creditors (security realized Rs.1,62,000) – Rs.1,38,000

Debentures having floating charge on the asset – Rs.3,00,000

Liquidation expenses – Rs.9,000

A call of Rs.2 per share on the partly paid equity shares was duly paid except in case of one shareholder owing 1,200 shares.

10. Discuss the Guidelines of the Reserve Bank of India for the Preparation of Final accounts of Banking Companies.
11. On 31.12.2016, the following balances stood in the books of Asian Bank Ltd., after preparation of its P&L A/c

| PARTICULARS | AMOUNT | PARTICULARS | AMOUNT |
|---|--------|--------------------------------|--------|
| Issued and subscribed capital | 4,000 | Reserve fund (u/s 17) | 6,200 |
| Fixed deposits | 42,600 | Savings bank deposits | 19,000 |
| Current deposits | 23,200 | Money at call and short notice | 1,800 |
| Investments | 25,000 | P&L A/c as on 01.01.2016 | 1,350 |
| Dividend for 2015 | 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 & overdrafts | 51,000 | Bills payable | 70 |
| Unclaimed dividend | 60 | Rebate on bills discounted | 50 |
| Short loans (borrowings from other banks) | 4,750 | Furniture | 1,164 |
| Other assets | 336 | Net profit for 2016 | 1,550 |

Prepare balance sheet of the bank as on 31.12.2016.

12. S Ltd., presents following summarized Balance Sheet as on 31.03.2006.

| Liabilities | ₹ | Assets | ₹ |
|------------------------------|------------------|----------------|------------------|
| Share Capital (@ ₹10/- each) | 12,00,000 | Fixed Assets | 12,75,000 |
| 5% Debentures | | | |
| Accrued | 7,50,000 | Current Assets | 7,65,000 |
| Interest | 37,500 | P&L A/c | 3,75,000 |
| Creditors | 4,27,500 | | |
| | 24,15,000 | | 24,15,000 |

The company is absorbed by P Ltd., who holds 25% of share capital (Purchased by them for ₹2,77,500) and all debentures (at par) by S Ltd., The purchase consideration being taking over all assets and liabilities at book value subject to fixed assets revalued at ₹10,50,000/- The payments to other shareholders to be made on the basis of such shares being worth ₹15 per share and shares in S Ltd., being worth ₹5 per share show the entries in books of S Ltd., after determining purchase consideration.

13. Discuss the Methods of Human Resource Accounting.
