

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.

M.Com.(A&F) - END SEMESTER EXAMINATIONS NOVEMBER - 2023

SEMESTER - III

20PAFCT3010 - Advanced Corporate Accounting and Accounting Standards

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Discuss the important functions of General Accepted Accounting Principles [GAAP].

2. Green Ltd., purchased the business of White Ltd., for Rs.54,00,000 payable in fully paid shares of Rs.100 each. Pass journal entries in the books of Green Ltd., if such issue is (a) at par; (b) at a premium of 20% and (c) at a discount of 10%.

3. Bajaj Ltd., company issued 20,000 shares of Rs.10 each at par which was underwritten as follows:

X	10,000 shares	Y	6,000 shares	Z	4,000 shares
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Applications were received for 18,000 shares which included marked application also as follows:

X	4,000 shares	Y	2,000 shares	Z	10,000 shares
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You are required to prepare a statement showing how many shares underwriters will have to take under the underwriting contract.

4. P Ltd., has taken over the business of Mr.Q and agreed to pay the purchase price as given below:

a) 2800 shares of Rs.50 each fully paid at Rs.60 per share

b) Rs.25,000 in 8% preference shares of Rs.100 each issued at premium of 25% and

c) Rs.20,000 in cash

Determine purchase consideration payable.

5. Rani Ltd., went into liquidation with the following liabilities:

Secured creditors Rs.40,000 (securities realised Rs.50,000); preferential creditors Rs.1,200; unsecured creditors Rs.61,000; liquidation expenses Rs.500.

The liquidator is entitled to a remuneration of 3% on the amount realised (including securities in the hands of secured creditors) and 1.5% on the amount distributed to unsecured creditors.

Contd...

The various assets (excluding the securities in hand of the secured creditors) realised Rs.52,000.

Prepare liquidator's Final statement of account showing the payment made to the unsecured creditors.

6. The Balance sheet as on 31st March, 2007

Liabilities	H (Rs.)	S (Rs.)	Assets	H (Rs.)	S (Rs.)
Share Capital in Re.1 fully paid	15,000	6,000	Sundry Assets	20,000	12,000
Reserve	3,000	2,000	Investment 6,000 in 'S' Ltd.,	10,000	
Profit & Loss A/c	2,000	1,000			
Sundry Liabilities	10,000	3,000			
	30,000	12,000		30,000	12,000

H Ltd., acquired the shares on 31st March, 2007. Prepare the consolidated Balance sheet.

7. What is Social Responsibility Accounting? Discuss the steps involved in social responsibility accounting.
8. Write a note on Human Resource Accounting. Classify the different types of Human Resource Accounting and how it can be implemented in the current scenario.

Section C

I - Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Explain the areas in which different accounting policies may be followed.
10. A firm earned net profits during the last three years as follows:

Year I	36,000
Year II	40,000
Year III	44,000

The capital investment of the firm is Rs.1,00,000. A fair return on the capital, having regard to the risk involved is 10%. Calculate the value of goodwill on the basis of 3 years purchase of super profits.

11. Following particulars relate to a limited company.
You are required to prepare liquidators final statement of account allowing for his remuneration at 2% on amount realised and 2% on the amounts distributed among the unsecured creditors other than preferential creditors. The assets realised the following sums: Building Rs.20,000; Plant Rs.18,650 and Furniture Rs.1,000.

SEMESTER - III

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liabilities:

Preferential creditors Rs.10,000; Unsecured creditors Rs.32,000; Debentures Rs.10,000; Equity share capital Rs.50,000 and liquidation expenses Rs.10,000

12. **Balance sheet as on 31st March, 2021**

Liabilities	H Ltd.,	S Ltd.,	Assets	H Ltd.,	S Ltd.,
Equity shares of Rs.10 each	5,00,000	2,00,000	Fixed assets	3,00,000	1,00,000
General reserve	1,00,000	50,000	60% shares in S Ltd., at cost	1,62,400	—
P&L A/c	60,000	35,000	Current assets	2,77,600	2,39,000
Creditors	80,000	60,000	Preliminary expenses	—	6,000
	7,40,000	3,45,000		7,40,000	3,45,000

H Ltd., acquired the share on 1st April 2020 on which date general reserve and P&L A/c of S Ltd., showed balance of Rs.40,000 and Rs.8,000. No part of preliminary expenses was written off during the year ending 31st March, 2021. Prepare the consolidated balance sheet of H Ltd., and its subsidiary S Ltd., as on 31st March, 2021.

II - Compulsory question (1 × 10 = 10 Marks)

13. A firm had Rs.2,00,000 as cash at bank on April 1, 2011. The consumer price index on that date was 200. During the year ended 31st March, 2012 the receipts and payments were stated below:

Receipts	Amount	Index	Payments	Amount	Index
June 1 Sales	1,05,000	210	September 15 Costs	2,15,000	215
January 15 Sales	3,45,000	230	Dec 1 Plant	2,00,000	225
			March 20 Costs	1,50,000	240

Ascertain the profit or loss on account of price changes; the year end index was 240.
