

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 NOVEMBER -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. Distinguish between Amalgamation, Absorption and Reconstruction.
2. X Ltd., agrees to purchase the business of Y Ltd., on the following terms:  
Share capital of Y Ltd., 10,000 shares of Rs.10 each. X Ltd., agreed to give 2 shares for each share of Y Ltd., @ Rs.10 each at an agreed value of Rs.12 per share. In addition, Rs.4 per share cash also will be paid. Calculate the purchase consideration.
3. From the following Balance sheets of A Ltd., and B Ltd., Prepare consolidated balance sheet of A Ltd., and its subsidiary B Ltd.,

Liabilities	A Ltd., (Rs.)	B Ltd., (Rs.)	Assets	A Ltd., (Rs.)	B Ltd., (Rs.)
Share Capital (Rs.10 each)	5,00,000	3,00,000	Sundry Assets	5,00,000	5,00,000
Current Liabilities	3,00,000	2,00,000	Invested in B Ltd.,	3,00,000	
	<b>8,00,000</b>	<b>5,00,000</b>		<b>8,00,000</b>	<b>5,00,000</b>

4. A Real Estate Company started with a capital of Rs.50,00,000 which was invested in urban land on 01.01.2010. On that date the general price index was 100 and Special price index for land was 200. The company had no other transactions and it sold the land on 01.01.2015 on which date general price index 180 and special price index was 420. The sale price was Rs.1,80,00,000. You are required to ascertain profit under a) Historical cost (b) CCA and (c) CPP method
5. On 31<sup>st</sup> March, 2018 a bank held the following bills, discounted by it earlier:

Date of Bill 2018	Term of bills	Discounted @% p.a.	Amount of Bills (Rs.)
January, 17	4 Months	17%	7,30,000
February, 7	3 Months	18%	14,60,000
March, 9	3 Months	17.5%	3,64,000

You are required to calculate the rebate on bills discounted. Also show the journal entries.

6. The Trial balance of Lord Krishna Bank Ltd., as on 31.03.2016 shows the following balances:

Particulars	Rs.
a) Interest earned (including discount on bills)	45,40,600
b) Rebate on bills discounted on 01.04.2015	4,750
c) The amount of unexpired discount as on 31.03.2016	5,560

You are required to pass necessary journal entries and calculate the amount of interest and discount to be credited to P & L Account.

**Contd...**

7. The Life fund of a Life Insurance Company on 31.03.2016 showed a balance of Rs.54,00,000. However, the following items were not taken in to account while preparing the revenue A/c for 2015 – 16

Particulars	Rs.
1) Interest and dividends accrued on investment	20,000
2) Income Tax deducted at source on the above income	6,000
3) Reinsurance claims recoverable	7,000
4) Commission due on reinsurance premium paid	10,000
5) Bonus in reduction of premiums	3,000

8. List out the different cost based methods of Human Resources.

### Section C

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

9. A Ltd., and B Ltd., agreed to amalgamate on the basis of the following balance sheet as on 31.03.2017.

Liabilities	A Ltd., (Rs.)	B Ltd., (Rs.)	Assets	A Ltd., (Rs.)	B Ltd., (Rs.)
Share capital @ Rs.25 each share	75,000	50,000	Goodwill	30,000	—
P&L A/C	7,500	2,500	Fixed Assets	31,500	38,800
Creditors	3,500	3,500	Stock	15,000	12,000
Depreciation Fund	—	2,500	Debtors	8000	5,200
			Bank	1,500	2,500
	<b>86,000</b>	<b>58,500</b>		<b>86,000</b>	<b>58,500</b>

The assets and liabilities are to be taken over by a new company formed called AB Ltd., at book values. AB Ltd., capital is Rs.2,00,000 dividend into 10,000 equity shares of Rs.10 each and 10,000, 9% preference shares of Rs.10 each.

AB Ltd., issued the equity shares equally to the vendor companies and preference shares were issued for any balances of purchase price. Pass journal entries in the books of AB Ltd., and Show Statement showing purchases consideration, if the amalgamation is in the nature of purchase.

10. The Balance sheets of X and Y Ltd., as at 31<sup>st</sup> March, 2016 are as follows:

Liabilities	X Ltd., (Rs.)	Y Ltd., (Rs.)	Assets	X Ltd., (Rs.)	Y Ltd., (Rs.)
Share capital (In shares of Rs.10 each)	2,00,000	1,00,000	Sundry Assets	1,32,000	1,38,200
General Reserve	18,000	20,000	Goodwill	Nil	20,000
P & L A/C	24,500	23,000	Shares in Y Ltd., at cost	1,40,000	—
Creditors	30,000	15,200			
	<b>2,72,500</b>	<b>1,58,200</b>		<b>2,72,500</b>	<b>1,58,200</b>

In the case of Y Ltd., profit for the year ended 31<sup>st</sup> March 2016 is Rs.12,000 and transfer to Reserve is Rs.5,000. The holding of X Ltd., is 90% acquired on 30<sup>th</sup> September 2016. Draft a consolidated Balance sheet of X Ltd., and its subsidiary.

11. From the following information relating L V Bank Ltd., prepare the P & L A/c for the year ended 31<sup>st</sup> March, 2017.

<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>
Rent Received	72,000	Exchange & Commission	32,800
Interest on Fixed Deposit	11,00,000	Interest on saving bank A/c	2,72,000
Interest on overdraft	2,16,000	Discount on bills discounted	7,80,000
Interest on current A/c	1,68,000	Interest on cash credit	8,92,000
Depreciation on Bank property	20,000	Salaries & allowances	2,18,800
Postage	5,600	Sundry Charges	4,000
Directors & Auditors fees	16,800	Printing	8,000
Law charges	3,600	locker rent	1,400
Transfer fees	2,800	Interest on Loans	10,36,000

12. The following balances are abstracted from the books of Bharath Life Insurance Company Ltd., as on 31<sup>st</sup> March, 2016.

<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>
Life Assurance Fund (1.04.2015)	15,00,000	Premiums	4,96,000
Consideration for annuity granted	15,000	Interest and dividends	1,00,000
Fine for renewal of policies	750	Reinsurance premium	20,750
Claims outstanding(01.04.2015)	4,500	Claims paid during the year	64,900
Annuities	2,050	Bonus in reduction of premium	1,600
Medical Fees	2,400	Surrenders	4,000
Commission	18,650	Management expenses	22,000
Income Tax on Dividends	8,500		

Additional information for adjustment

- i) Outstanding Balances:

Claims Rs.14,000

Premiums Rs.4,600

- ii) Further bonus for fermium Rs.2,400

- iii) Claim under reinsurance Rs.8,000

13. Ascertain net monetary result from the following information

<b>Particulars</b>	<b>01.01.1998</b>	<b>31.12.1998</b>
Cash and Bank balance	Rs.60,000	Rs.88,000
Accounts receivable	Rs.80,000	Rs.1,00,000
Accounts Payable	Rs.1,00,000	Rs.1,24,000
General retail price index number	100	125

Average index number for the year 120

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