

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 APRIL - 2024

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. Find out the remuneration payable to liquidator with the help of the following information

Preferential Creditors	Rs.1,400
Unsecured Creditors	Rs.81,000
Amount available for unsecured creditors after paying preferential creditors, before paying Liquidator's remuneration	Rs.74,154
Liquidator's remuneration	2% on the amount distributed to unsecured creditors.

2. The following particulars relate to a Limited Company which went into voluntary liquidation. Preference Capital 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 liquidator remuneration was agreed at $2\frac{1}{2}\%$ on the amount realised and 2% on the amount paid to unsecured creditors including preferential creditors. You are required to prepare Liquidator Final statement of account.
3. A life Assurance Company prepared its Revenue A/c for the year ended 31.03.2006 and ascertained its Life Assurance Fund to be Rs.28,35,000. It was found later that the following had been omitted from the accounts:
- Interest accrued on investments Rs.39,000;
Income tax liable to be deducted thereon is estimated to be Rs.10,500.
 - Outstanding premiums Rs.32,800.
 - Bonus utilised for reduction of premium Rs.6,750.
 - Claims intimated but not admitted Rs.17,400.
 - Claims covered under reinsurance Rs.6,500.

What is the true Life Assurance Fund?

4. The following figures relate to Life Insurance Corporation for the year ended 31.03.2006. Prepare the Revenue A/c.

Particulars	(Rs.'000)	Particulars	(Rs.'000)
Claims	39	Consideration for annuities granted	16.5
Management expenses	14	Surrenders	9
Directors fees	4	Premia received	151
Audit fees	3	Life Fund(1.04.95)	1150
Medical expenses	0.5	Interest received	40
Agents' Commission	5	Rent Received	10
Depreciation	4	Claims cancelled	0.5
Bonus in reduction of premium	1.5	Annuities	1.5

- Note: a) premium outstanding Rs.9 thousand
b) Claims outstanding Rs.3 thousand

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5. From the following particulars, prepare the fire revenue account for 2005-06

Particulars	(Rs.'000)
Claims paid	235
Legal expenses regarding claims	5
Premium received	600
Reinsurance premium	60
Commission	100
Expenses of management	150
Provisions against unexpired risk on 1-4-2005	260
Claims unpaid on 1.4.2005	20
Claims unpaid on 31.3.2006	35

6. In respect of the following transactions of X Bank Ltd., Give necessary journal entries and calculate rebate on bills discounted. The following bills were discounted at 5% p.a

	Discounted on	Amount (Rs.)	Due date inclusive of 3 days of grace
1.	25.12.1990	50,000	31.01.1991
2.	29.07.1990	1,00,000	30.11.1990
3.	29.10.1990	4,00,000	30.04.1991
4.	31.12.1990	30,000	03.03.1991

7. From the following particulars, prepare the profit and loss account of Chennai Bank Ltd., for the year ending 31st March 1992.

Particulars	(Rs.'000)
Interest on deposits	3,200
Commision(Cr.)	100
Interst on loans	2,490
Sundry charges (Dr.)	100
Rent and taxes	200
Establishment	500
Discount on bills discounted	1,490
Interest on overdrafts	1,600
Interest on cash credits	2,320
Auditor's fees	35
Director's fees	16
Bad debts to be written off	300

8. The abstract of the Balance sheet of the XYZ Ltd., As at 31st March 2022 is as follows.
Liabilities: - Equity Share Capital (Rs.100 each) Rs.15,00,000, 12% Preference Share Capital (Rs.100 each)Rs.8,00,000, 13% Debentures Rs.3,00,000. On 31st March 2022, WYZ Ltd., agreed to take over XYZ Ltd, on the following terms.

- For each preference share in XYZ Ltd., Rs.10 in cash and one 9% Preference share of Rs.100 in WYZ Ltd.
- For each equity share XYZ Ltd., Rs.20 in cash and one equity share in WYZ Ltd., for Rs.100 each. It was decided that the share of WYZ Ltd., will be issued at market price Rs.140 per share.

Liquidation expenses of XYZ Ltd., are to reimbursed by WYZ Ltd., to the extent of Rs.10,000. Actual expenses amounted to Rs.12,500. You are required to compute the amount of purchase consideration.

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Section C

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

9. The following particulars are related to a company which has gone into liquidation. You are required to prepare liquidators final statement of account allowing for his remuneration at 2% on the amounts realised on assets and 2% on the amount distributed to unsecured creditors other than preferential creditors.

Unsecured creditors	2,24,000
Preferential creditors	70,000
Debentures	75,000

The assets realized the following amounts:

Cash in hand – 20,000; Land & Building – 1,30,000; Plant & Machinery – 1,10,500; Furniture & fittings – 7,500.

The liquidation expenses amounted to Rs.2,000.

A call of Rs.2 per share on the partly paid 10,000 equity shares was made and duly paid except in case of one shareholder owning 500 shares.

10. From the following stated below prepare a revenue A/c and a Valuation B/S as at 31.03.2006 showing surplus for the policy holders.

Particulars	(Rs.'000)
Claims paid	450
Premiums	3,750
Interest, dividend and rent	2,250
Profit on sale of investment	12
Consideration for annuity granted	150
Annuities	20
Net liabilities on policies in force on 31.03.2006	8,425
Surrenders	150
Bonus in reduction of premium	7.5
Commission	60
Life Assurance fund(01.04.2005)	6,000

11. A life insurance company disclosed a fund of Rs.20,00,000 and the Balance Sheet total Rs.45,00,000 on 31.03.2006 before taking into consideration:
- Claims of Rs.10,000 initiated and admitted but not paid during the year
 - A claim of Rs.6,000 outstanding in the books for 8 years and written back
 - Interest on securities accrued Rs.800 but not received during the year
 - Premium of Rs.600 is payable under re insurance
 - Reinsurance recoveries Rs.26,000
 - Bonus utilized in reduction of premium Rs.10,000
 - Agent commission to be paid Rs.8,000

Pass journal entries, calculate Life Assurance fund and show the entries in the B/S.

12. From the books of accounts of Bharat Bank Ltd., as on 31.03.1998, the following particulars regarding loans and advanced given by the bank are available.

Particulars	Rs.'000
Advances to priority sectors	3,500
Advances to public sectors	1,000
Advances to other banks in India	250
Advances to Others	4,000

The details of the above advanced were as under:

Bills purchased and discounted (including Rs.2,50,000 outside India)	1,250
Cash credit, Overdraft and loans payable on demand	4,750
Term Loans	3,000

Out of the above advances Rs.75,00,000 were secured by tangible assets while those of Rs.5,00,000 were secured by bank and Government guarantees. The rest were unsecured. You are required to show how the above items are statutorily required to be disclosed in the balance sheet of the bank.

13. Sun Ltd., and Moon Ltd., are two companies carrying on business in the same line of activities. Their balance sheet as on 31.12.1994 are

Liabilities	Sun Ltd., (Rs.)	Moon Ltd., (Rs.)	Assets	Sun Ltd., (Rs.)	Moon Ltd., (Rs.)
Fully Paid Equity Shares of Rs.10 each	6,00,000	2,00,000	Land & Building	1,00,000	Nil
General Reserve	4,00, 000	2,00,000	Plant & Machinery	7,00,000	3,00,000
Secured Loan	6,00,000	1,00,000	Investments	1,00,000	Nil
Current Liabilities	6,00,000	4,00,000	Stock	9,00,000	4,00,000
			Debtors	3,00,000	1,00,000
			Cash at Bank	1,00,000	1,00,000
Total	22,00,000	9,00,000		22,00,000	9,00,000

The two companies decided to amalgamate into Mars Ltd., The following further information is given :

- All assets and Liabilities of the two companies are taken over.
- Each share in moon Ltd., is valued at Rs.25 for the purpose of amalgamation
- Shareholders of moon Ltd., and sun Ltd., are paid off by issue of sufficient number of equity shares of Rs.10 each in mars Ltd .,as fully paid at par
- Each share in sun Ltd., is valued at Rs.15 for the purpose of amalgamation.

Show journal entries to close the books of both the companies
