

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. A&F - END SEMESTER EXAMINATIONS APRIL - 2024

SEMESTER - IV

**20UAFCT4009 - Advanced Corporate Accounting**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

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

- K Ltd., agrees to purchase to business of R Ltd., on the following terms :
  - For each of the 10,000 shares of Rs.10 each in R Ltd., 2 shares in K Ltd., of Rs.10 each will be issued at an agreed value of Rs.12 per share. In addition, Rs.4 per share cash also will be paid.
  - 8% Debentures worth Rs.80,000 will be issued to settle the Rs.60,000 9% Debentures in 'R' Ltd.
  - Rs.10,000 will be paid towards expenses of winding up.

Calculate the Purchase Consideration.

- The Balance Sheet of H Ltd., and S Ltd., as on 31<sup>st</sup> Dec 2015 are as follows:

Liabilities	H Ltd., (Rs.)	S Ltd., (Rs.)	Assets	H Ltd., (Rs.)	S Ltd., (Rs.)
Share capital (In share of Rs.10 each)	2,00,000	1,00,000	Sundry Assets	1,32,500	1,38,200
General Reserve	18,000	20,000	Goodwill	—	20,000
Profit & Loss A/c	24,500	23,000	Shares in 'S' Ltd., at cost	1,40,000	—
Creditors	30,000	15,200			
	2,72,500	1,58,200		2,72,500	1,58,200

In case of 'S' Ltd., profit for the year ended 31<sup>st</sup> Dec. 2015 is Rs.12,000/- and transfer to Reserve is Rs.5,000. The holding of 'H' Ltd., in 'S' Ltd., is 90% acquired on 30<sup>th</sup> June 2015. Draft a consolidated Balance Sheet of 'H' Ltd., and its subsidiary.

- On 31<sup>st</sup> March 2015 a bank held to following bills, discounted by it earlier:

Date of bill	Term of Bill (months)	Discounted @ % p.a	Amount of Bill (Rs.)
I Jan 17	4	17	7,30,000
II Feb 7	3	18	14,60,000
III March 9	3	17.5	3,64,000

You are required to calculate the Rebate on Bills Discounted. Also show the necessary journal entry for the rebate.

- The following particulars relate to a limited company which went into voluntary liquidation:

	Rs.
Preferential creditors	25,000
Unsecured creditors	58,000
6% debentures	30,000

The assets realized Rs.80,000. The expenses of liquidation amounted to Rs.1,500 and the Liquidator's remuneration was agreed at  $2\frac{1}{2}\%$  on the amount realized and 2% on the amount paid to unsecured creditors including preferential creditors. Show the total remuneration payable to the liquidator.

**Contd...**

5. Explain the various methods of calculating purchase consideration.
6. What are the various methods of winding up a company? Explain.
7. Explain the meaning of Non-Performing Assets.
8. Abdul Ltd., having a capital of Rs.10,00,000 dividend into 10,000 shares of Rs.100 each (Rs.75 paid up) and a reserve fund of Rs.2,50,000 was absorbed by National Timber Ltd. having a capital of Rs.40,00,000 divided into 40,000 shares of Rs.100 each (Rs.60 paid up) and a reserve fund of Rs.16,00,000 on the terms that for every four shares in Abdul Ltd., National Timber Ltd. was to give five shares partly paid as its original ones.  
Prepare ledger account to close the books of Abdul Ltd.

### Section C

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

9. From the following information prepare the profit and loss account of ABC Bank Ltd., for the year ended on 31<sup>st</sup> March 2012 in the prescribed form

	Rs.
Interest on loan	2,59,000
Interest on fixed deposits	2,75,000
Rebate on bills discounted required	49,000
Commission	8,200
Establishment	54,000
Discount on bills discounted	1,95,000
Interest on cash credit	2,23,000
Interest on current account	42,000
Rent and taxes	18,000
Interest on overdraft	1,54,000
Director's fees	3,000
Auditor's fees	1,200
Interest on savings bank deposits	68,000
Postage and telegram	1,400
Printing and stationery	2,900
Sundry charges	1,700

Bad debts to be written off amounted to Rs.40,000. Provision for taxation may be made @ 55%  
Balance of profit from last year was Rs.1,20,000. The directors have recommended a dividend of Rs.20,000 for shareholder.

10. Ram Ltd., and Shyam Ltd., has agreed to amalgamate. A new company Rajesh Ltd., has formed to take over the combined concern as on 31<sup>st</sup> December 2018. After negotiations, the assets of the two companies have been agreed upon as shown below:

#### Balance sheet as on 31-12-2018

Liabilities	Ram Ltd., (Rs.)	Shyam Ltd., (Rs.)	Assets	Ram Ltd., (Rs.)	Shyam Ltd., (Rs.)
Share Capital: Shares of Rs.10 each	10,00,000	5,00,000	Land & Buildings	5,00,000	3,00,000
Reserve Fund	-	50,000	Plant & Machinery	2,00,000	2,50,000
P & L A/c	50,000	50,000	Goodwill	-	50,000
Creditors	80,000	50,000	Furniture	1,10,000	-
			Stock	1,50,000	20,000
			Debtors	1,20,000	20,000
			Bank	50,000	10,000
Total	11,30,000	6,50,000	Total	11,30,000	6,50,000

Prepare the balance sheet of Rajesh Ltd., assuming

- (a) The entire purchase price is paid off in the form of equity shares of Rs.100 each in Rajesh Ltd.  
(b) The amalgamation is in the nature of Merger.

11. Knight Co. Ltd., went into voluntary liquidation on 31.12.2020 when their Balance sheet read as follows:

Liabilities	Rs.	Assets	Rs.
Issued & Subscribed Capital: 15,000 10% cumulative preference shares of Rs.100 each fully paid	15,00,000	Land & Building	7,50,000
7,500 equity shares of Rs.100 each, Rs.75 paid	5,62,500	Plant & Machinery	18,75,000
22,500 equity shares of Rs.100 each Rs.60 paid	13,50,000	Patents	3,00,000
15% debentures secured by a floating charges	7,50,000	Stock	4,02,500
Interest outstanding on debentures	1,12,500	Sundry debtors	8,25,000
Creditors	9,56,250	Cash at bank	2,25,000
		Profit & Loss A/c	8,53,750
Total	52,31,250	Total	52,31,250

Preference dividends were in arrears for 2 years and the creditors included preferential creditors of Rs.38,000.

The assets were realised as follows:

Land & Buildings Rs.9,00,000; Plant & Machinery Rs.15,00,000; Patents Rs.2,25,000; Stock Rs.4,50,000; Sundry debtors Rs.6,00,000.

The expenses of liquidation amounted to be Rs.27,250. The liquidator is entitled to a commission of 3% on assets realised except cash. Assuming the final payments including those on debentures was made on 30.06.2021. Show the liquidator's final statement of account.

12. Give the journal entries that are passed in the books of companies in the case of absorption.  
13. H Ltd., acquired the shares of S Ltd., on 1.1.96 on that date the profit and loss account of S Ltd., had a credit balance of Rs.1,000 and in reserve Rs.3,000

**Balance sheet as on 31/12/96**

Liabilities	H Ltd., (Rs.)	S Ltd., (Rs.)	Assets	H Ltd., (Rs.)	S Ltd., (Rs.)
Share capital (Rs.10 each)	1,00,000	50,000	Sundry assets	60,000	63,000
Reserve	10,000	5,000	Investment - 4,000 shares in S Ltd.,	65,000	-
Profit & Loss A/c	10,000	4,000			
Sundry Creditors	5,000	4,000			
	1,25,000	63,000		1,25,000	63,000

Prepare consolidated Balance sheet.

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