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 APRIL - 2024
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. A subsidiary company has a capital of Rs.5,00,000 in shares of Rs.100 each out of which holding company acquired 80% of the shares at Rs.6,00,000. The profits of the subsidiary company on the date of acquisition of shares by the holding company were Rs.3,00,000. Calculate the value of Goodwill or Capital Reserve.

2. Life Assurance Fund of Rs. 28,35,000 has been ascertained without adjusting the following:
   (i) Interest accrued on investments(I.T. liable to be deducted Rs.10,500) Rs.39,000
   (ii) Outstanding premiums Rs.32,800
   (iii) Bonus utilised for reduction of premium Rs.6,750
   (iv) Claims intimated but not admitted Rs.17,400
   (v) Claims covered under reinsurance Rs.6,500
   You are required to find out the true Life Assurance Fund.

3. The rebate on bills discounted on 01.04.2021 was Rs.4,400. From the following information, you are required to calculate rebate on bills discounted as on 31.3.2022. (amounts can be rounded-off to the nearest rupee)

Date of bill	Amount (Rs.)	Period	Rate of Discount
15-01-2022	25,000	5 Months	8%
10-02-2022	15,000	4 Months	7%
25-02-2022	20,000	4 Months	7%
20-03-2022	30,000	3 Months	9%

   Also pass necessary journal entries for both opening and closing rebate on bills discounted.

4. Explain the objectives of Human Resource Accounting.

5. From the following balances, prepare the Profit and Loss Account of Canara Bank:

	Rs.		Rs.
Interest received	5,42,260	Interest on Deposits	1,60,520
Discount received	2,43,760	General Expenses	1,82,420
Commission received	44,240	Bad Debts	1,28,710

   Note: Rebate on Bills Discounted Rs.64,380

6. You are required to calculate the amount of benefits paid (Net) to be derived in schedule 4 of a life insurance company:

	Rs.		Rs.
Claims paid	1,97,000	Re-insurance recoveries	80,000
Claims Outstanding on 31.03.2023	10,000	Annuities paid	10,000
Claims Outstanding on 01.04.2022	7,000	Surrenders paid	7,000

7. Following are the balance sheets of two companies:

Liabilities	A Ltd., (Rs.)	B Ltd., (Rs.)	Assets	A Ltd., (Rs.)	B Ltd., (Rs.)
Share Capital	1,20,000	80,000	6,400 shares in 'S' Ltd.	50,000	-
Creditors	-	15,000	Sundry Assets	70,000	97,500
P & L A/c	-	2,500			
	1,20,000	97,500		1,20,000	97,500

The Share capital of both the companies consists of equity shares of Rs.10 each fully paid. On the date of acquisition of shares, 'B' Ltd., had a debit balance of Profit & Loss account of Rs.5,000. Calculate capital profit or loss, revenue profit or loss and the Minority Interest.

8. Discuss the advantages of Computerised Accounting.

Section C

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

9. The following are the Balance Sheets of two companies as on 31st December 2022:

Liabilities	H Ltd., (Rs.)	S Ltd., (Rs.)	Assets	H Ltd., (Rs.)	S Ltd., (Rs.)
Share Capital (Re.1 each)	14,000	10,000	Sundry Assets	2,000	18,000
Creditors	–	5,000	9,000 Shares in "S" Ltd., at cost	12,000	—
Profit and Loss A/c	–	3,000			
	14,000	18,000		14,000	18,000

When "H" Limited acquired the shares in "S" Limited, the Profit and Loss Account of 'S' Limited had a credit balance of Rs.2,000. You are required to Calculate:
(a) Holding –Minority Ratio
(b) Pre-acquisition profit or loss
(c) Post- acquisition profit or loss
(d) Minority Interest &
(e) Goodwill or Capital Reserve

10. From the following particulars, prepare the profit and loss account of Coimbatore Bank Limited for the year ending 31st March 2023:

	Rs.		Rs.
Interest on deposits	1,60,000	Discount on Bills discounted	74,500
Commission (Cr.)	5,000	Interest on Overdraft	80,000
Interest on loans	1,24,500	Interest on Cash Credit	1,16,000
Sundry charges (Dr.)	5,000	Auditor's fees	1,750
Rent and taxes Establishment charges	10,000	Director's fees	800
	25,000	Bad debts to be written off	15,000

11. Following are the Balance Sheets of H Limited and its subsidiary company S Limited as on 30th June 2022:

Liabilities	H Ltd., (Rs.)	S Ltd., (Rs.)	Assets	H Ltd., (Rs.)	S Ltd., (Rs.)
Share Capital:			Land & Buildings	6,40,000	2,00,000
Rs.10 each	25,00,000	6,00,000	Machinery	12,60,000	3,40,000
General Reserve	3,60,000	1,20,000	Furniture	1,40,000	60,000
P&L A/c	2,40,000	1,80,000	40,000 shares in S Ltd.,	5,00,000	–
Trade Creditors	3,50,000	1,00,000	Stock	4,10,000	2,50,000
			Debtors	3,80,000	1,00,000
			Bank Balance	1,20,000	50,000
	34,50,000	10,00,000		34,50,000	10,00,000

At the date of acquisition of shares by 'H' Limited of its holding of 40,000 shares in 'S' Limited, the latter company had undistributed profits and reserves amounting to Rs.90,000, none of which had been distributed since then. You are required to prepare the consolidated balance sheet.

12. The following balances are abstracted from the books of ABC Life Insurance Company Limited as on 31st March 2023:

	Rs.		Rs.
Life Assurance Fund (1.4.2022)	15,00,000	Premiums	4,96,000
Consideration for Annuities granted	15,000	Annuities	2,050
Claims paid during the year	64,900	Interest & Dividends	1,00,000
Fines for revival of policies	750	Reinsurance premium	20,750
Bonus in reduction of premiums	1,600	Medical Fees	2,400
Claims Outstanding (1.4.2022)	4,500	Surrenders	4,000
Management expenses	22,000	Commission	18,650
Income Tax on Dividends	8,500		

Prepare Revenue Account after making the following adjustments:

(a) Outstanding Claims Rs.14,000

(b) Outstanding Premiums Rs.4,600

(c) Further bonus for premium Rs.2,400

(d) Claim under re-insurance Rs.8,000

13. Discuss the Advantages and Limitations of Human Resource Accounting.

*****