

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. - END SEMESTER EXAMINATIONS - NOV'2024
SEMESTER - I

23PCOCT1001 - Corporate Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Show the maximum remuneration payable to the part time director and manager of Bharat Ltd., (a manufacturing company) under section 309 and 387 of the companies Act 1956 from the following particulars; Before charging any such remuneration, the Profit & Loss account showed a credit balance of Rs.23,05,000 for the year ended 31st March 2018 after taking into account the following matters;

	Rs.
Profit on sale of investments	2,05,000
Subsidiary received from government	4,10,000
Loss on sale of fixed assets	65,000
Ex-gratia to an employee	30,000
Compensation paid to injured workman	75,000
Provision for taxation	2,79,000
Bonus to foreign technicians	3,12,000
Multiple shift allowance	1,00,000
Special depreciation	75,000
Capital expenditure	5,10,000

Company is providing depreciation as per section 350 of the companies Act 1956.

2. S Ltd., has a capital of Rs.2,00,000 in shares of Rs.100 each out of which H Ltd. purchased 75% of the shares at Rs.2,40,000. The profits of S Ltd., at the time of purchase of shares of H Ltd., were Rs.1,10,000. S Ltd., decided to make a bonus issue out of pre-acquisition profit of one share for every five shares held. Compute the cost of control of acquiring shares of S Ltd., before the issue of bonus shares.
3. For X company Limited monetary assets and monetary liabilities remained at Rs.1,00,000 and Rs.50,000 respectively during the whole of 2023. During the same period prices rose by 10%. Prepare the general price level gain or loss.
4. Explain the characteristics of Indian Accounting Standards.

Contd...

5. A life insurance company disclosed a fund of Rs.25,00,000 on March 31, 2018, before taking the following into consideration:
- A claim of Rs.15,000 was intimated and admitted but not paid during the year.
 - A claim of Rs.8,000 outstanding in the books for 8 years is written back.
 - Premium of Rs.1,000 is payable under reinsurance.
 - Reinsurance recoveries Rs.30,000.
 - Bonus utilised in reduction of premium Rs.8,000.
 - Agent's Commission to be paid Rs.6,000.
- Show the life fund.
6. X Ltd., purchased 60% shares of Y Ltd., on 1.1.2017 when the balance on their P&L A/c and General reserve were Rs.1,50,000 and Rs.1,60,000 respectively. On 31.12.2017, the balance sheet of Y Ltd., showed P&L A/c balance of Rs.4,00,000 and General reserve Rs.3,00,000. Prepare capital profit and Revenue profits.
7. Predict the importance of human resource accounting.
8. Examine the significance of CSR.

Section C

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

9. Following is the list of balances of Lakshmi Ltd., as on 31.3.2018.

	Rs.		Rs.
Gross profit	87,050	Discount (Cr.)	3,000
Furniture	17,000	Salaries	7,500
Rent	4,000	Sundry expenses	7,050
P&L App. A/c (Cr.) as on 31.12.2017	15,000	Dividend paid (for 2016-17)	9,000
Share capital	1,00,000	Debtors	27,500
Creditors	17,500	Plant	29,000
Bank balances	46,200	General reserve	15,500
Bills Receivable	9,800	Bills payable	7,000

Prepare profit and loss and profit and loss (app) accounts for the year ending 31.3.2018, after providing for;

- Depreciation at 20% on fixed assets;
- Provision for doubtful debts at 5%.
- Provide for 15% dividend.

Contd...

10. The following figures relate to life insurance corporation for the year ended 31.3.2018. Prepare the Revenue Account.

	Rs. (in '000)		Rs. (in '000)
Claims	39	Consideration for annuities granted	16.5
Management expenses	14	Surrenders	9
Director's fees	4	Premium received	151
Audit fees	3	Life fund [1.4.2017]	1150
Medical expenses	0.5	Interest received	40
Agent's commission	5	Rent received	10
Depreciation	4	Claims cancelled	0.5
Bonus in reduction of premium	1.5	Annuities	1.5

Note: i. premium outstanding Rs.9,000
ii. Claims outstanding Rs.3,000.

11. **Balance sheets**

Liabilities	H Ltd.,	S Ltd.,	Assets	H Ltd.,	S Ltd.,
Share capital Shares of Rs.100 each	5,00,000	2,00,000	Sundry assets	6,00,000	3,00,000
Reserves	1,40,000	50,000	1,500 shares in S Ltd.,	2,40,000	-
Profits	1,00,000	30,000			
Creditors	1,00,000	20,000			
	8,40,000	3,00,000		8,40,000	3,00,000

S Ltd., had a credit balance of Rs.10,000 in the Reserves when H Ltd., acquired shares in it. S Ltd., made a bonus issue of one share for every five shares held all out of the post acquisition profits. Calculate the cost of control before and after the bonus issue and Determine the consolidated balance sheet.

12. Ascertain the net monetary results of X company as at 31.12.1990. The relevant data are given below;

	1.1.1990 (Rs.)	31.12.1990 (Rs.)
Cash	5,000	10,000
Book debts	20,000	25,000
Creditors	15,000	20,000
Loan	20,000	20,000

Retail price index number:

Jan 1, 1990 200

Dec. 31, 1990 300

Average for the year 250.

Contd...

II - Compulsory question ($1 \times 10 = 10$ Marks)

13. Examine the objectives of Indian Accounting Standards.
