

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. A&F- END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - III

23PAFCT3010 - Corporate Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Define the term calls-in-advance and calls-in-arrear.
2. From the following particulars of Sai Ltd., you are required to calculate the managerial remuneration in the following situations:
 - a. There is only one whole time director
 - b. There are two whole time director

Particulars	Rs.
Net profit before provision for income tax and managerial remuneration, but after depreciation and provision for repairs	8,70,410
Depreciation provided in the books	3,10,000
Provision for repairs of machinery during the year	25,000
Depreciation allowable under schedule XIV	2,60,000
Actual repairs incurred on repairs during the year	15,000

3. A Life insurance company gets its valuation made once in every two years. Its Life Assurance fund on 31.03.16 amounted to Rs.63,84,000 before providing Rs.64,000 for the shareholder's dividend for the year 2005-2006. Its actuarial valuation due on 31.03.16 disclosed a net liability of Rs.60,80,000 under assurance annuity contracts. An interim bonus of Rs.80,000 was paid to the policy holder during the two years ending 31.3.2006. Prepare a statement showing the amount now available as bonus to policy holders.
4. The following balances are abstracted from the books of New Bharat Life Insurance company Ltd., as on 31.03.2020

Life assurance fund (1.4.2019)	15,00,000
Premiums	4,96,000
Consideration for annuities granted	15,000
Interest and dividends	1,00,000
Fines for revival of policies	750
Reinsurance premium	20,750
Claims outstanding(1.4.2019)	4,500
Claims paid during the year	64,900
Annuities	2,050
Bonus in reduction of premiums	1,600
Medical fees	2,400
Surrenders	4,000
Commission	18,650
Management expenses	22,000
Income tax on dividends	8,500

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Prepare Revenue account after making the following adjustments:

- a. Outstanding balances:

Claims	14,000
Premiums	4,600
- b. Further bonus for premium 2,400
- c. Claim under reinsurance 8,000

5. X Ltd., purchase 60% shares of Y Ltd., on 1.1.22 when the balance on their P&L A/c and General reserve were Rs.1,50,000 and Rs.1,60,000 respectively. On 31.12.22 the balance sheet of Y Ltd., showed P&L A/c balance of Rs.4,00,000 and General Reserve Rs.3,00,000. Calculate capital profits and Revenue profits.

6. On 31st March, 2021 the balance sheets of H Ltd., and its subsidiary S Ltd., stood as follows:

Liabilities	H Ltd.,	S Ltd.,	Assets	H Ltd .,	S Ltd.,
Equity share capital	8,00,000	2,00,000	Fixed assets	5,50,000	1,00,000
General reserve	1,50,000	70,000	75% shares in S Ltd., (at cost)	2,80,000	-
Profit and loss account	90,000	55,000	Stock	1,05,000	1,77,000
Creditors	1,20,000	80,000	Other current assets	2,25,000	1,28,000
	11,60,000	4,05,000		11,60,000	4,05,000

Prepare minority and cost of control statement after taking into consideration the following information.

- i. H Ltd., acquired the shares on 31st July 2020
- ii. S Ltd., earned profit of Rs.45,000 for the year ended 31st March 2021

7. The following information is given to you regarding X Ltd for the financial year ended 31.03.2022

Particulars	1.4.21	31.03.21
Monetary assets	80,000	80,000
Monetary liabilities	1,00,000	1,00,000
Retail price index	200	300

Ascertain gain or loss on monetary items.

8. What are the objectives of financial reporting?

Section C

I - Answer any **TWO** questions (2 × 10 = 20 Marks)

9. S and R Co. Ltd., is a company with an authorized capital of Rs.5,00,000 divided into 5,000 equity shares of Rs.100 each on 31.12.2022 of which 2,500 were fully called up. The following are the balances extracted from the ledger as on 31.12.2022

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Trial balance of S and R Co. Ltd.,

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Sales	3,25,000
Purchases	2,00,000	Discount received	3,150
Wages	70,000	Profit and Loss a/c	6,250
Discount allowed	4,200	Creditors	35,170
Insurance (upto 31.03.19)	6,720	Reserves	25,000
Salaries	18,500	Loan from managing director	15,700
Rent	6,000	Share capital	2,50,000
General expenses	8,950		
Printing	2,400		
Advertisements	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debts	3,200		
Calls-in-arrears	5,000		
	6,60,270		6,60,270

You are required to prepare statement of profit and loss for the year ended 31.12.2022. The following further information is given:

- a. Closing stock was valued at Rs.1,91,500
 - b. Depreciation on plant at 15% and on furniture at 10% should be provided
 - c. A tax provision of Rs.8,000 is considered necessary
 - d. The directors declare an interim dividend on 15.08.22 for 6 months ending June 30, 2022 @ 6%
10. From the following balances extracted from the books of S. Ram Co. Ltd., contain the following information in respect of fire insurance as on 31.03.2020.

Provision for unexpired risks (1.4.19)	80,000
Estimated liability in respect of outstanding claims:	
On 1.4.19	10,000
On 31.3.20	15,000
Medical expenses regarding claims	1,000
Claims paid	70,000
Reinsurance premium	14,500
Reinsurance recoveries	1,500
Premiums	1,90,000
Commission on direct business	25,000
Commission on reinsurance ceded	3,000
Commission on reinsurance accepted	1,000
Management expenses	55,000
Interest & Dividends	8,000
Legal expenses regarding claims	1,500
Profit on sale of investments	1,750
Additional reserve on 31.03.19	60,000

Additional reserve is to be increased by 10% of the net premium income. Prepare revenue account keeping the reserve for unexpired risks at 50% of premium income.

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11. The following information relating to Malar Ltd., for the year ended 31.12.2016 is provided to you and you are requested to calculate net monetary gain or loss for the year 2016

Particulars	Rs.
Net monetary assets on 1.1.2016	5,000
Net monetary assets on 31.1.2016	35,000
Transactions for the year are as given below	
Cash sales	40,000
Credit sales	35,000
Wages	10,000
Other operating expenses	5,000
Interest paid on 31.12.2016	10,000
General price index on 1.1.2016	100
General price index on 31.12.2016	150
Average index for the year	125

12. How do you deal with Leases in the Financial statements of lessee and lessor as per AS-19.

II - Compulsory question (1 × 10 = 10 Marks)

13. From the following Balance sheet relating to H Ltd., and S Ltd., Prepare a consolidated balance sheet:

Liabilities	H Ltd.,	S Ltd.,	Assets	H Ltd.,	S Ltd.,
Shares of Rs.10 each fully paid	10,00,000	2,00,000	Fixed assets	8,00,000	1,20,000
Reserves	1,00,000	60,000	Stock	6,10,000	2,40,000
P & L A/c	4,00,000	1,20,000	Debtors	1,30,000	1,70,000
Sundry creditors	2,00,000	1,20,000	Bills receivable	10,000	—
Bills payable	—	30,000	Shares in S Ltd., at cost (15,000 shares)	1,50,000	—
	17,00,000	5,30,000		17,00,000	5,30,000

- All profits of S Ltd., have been earned after the shares were acquired by H Ltd., but there was already a reserve of Rs.60,000 on that date.
- All bills payable of S Ltd., was accepted in favour of H Ltd.
- The stock of H Ltd., includes Rs.50,000 purchased from S Ltd., the profit added was 25% on cost.
