

S.NO: 71

BATCH: 2017

REG. NO:

END OF SEMESTER EXAMINATIONS, NOVEMBER - 2018
ADVANCED CORPORATE ACCOUNTING
SUBJECT CODE: 14P3C010

MAJOR: M.COM
 TIME : 3 HOURS

SEMESTER : III
 MAX. MARKS: 70

SECTION – A (5 X 5 = 25)

Answer any FIVE questions:

1. B Co. Ltd., issued 50,000 equity shares of Rs.10 each to the public on condition that full amount of shares will be paid in a lump sum. All these shares were taken up and paid by the public. Pass journal entries in the books of company when
 - a. Shares are issued at par.
 - b. Shares are issued at a premium of 10%.
 - c. Shares are issued at a discount of 10%.
2. Hamid Pasha Ltd., obtained an overdraft of Rs.5,00,000 from bank for which the company issued 7,000, 12% debentures of Rs.100 each as collateral security. Show how the items appear in balance sheet, if
 - a. The issue of debentures need not be recorded in the books
 - b. The issue of debentures must be recorded in the books.
3. Raja Ltd., was incorporated on 1.7.94, which took over a running concern with effect from 1.1.94. The sales for the period up to 1.7.94 was Rs.2,70,000 and the sales from 1.7.94 to 31.12.91 amounted to Rs.3,30,000. The expenses debited to Profit and Loss Account included:
 - a. Directors fees Rs.15,000
 - b. Bad debts Rs.1,800
 - c. Advertisement (Rs.500 per month) Rs.6,000
 - d. Salaries and General expenses Rs.32,000
 - e. Preliminary expenses written off Rs.3,000

The gross profit was (1.1.94 to 31.12.94) Rs.2,40,000

Ascertain the profit prior to incorporation.
4. The following ledger balances were extracted from the books of Varun Ltd., as on 31.3.2013:
 - Land & Building Rs.2,00,000
 - 12% Debentures Rs.2,00,000
 - Share capital Rs.10,00,000(Equity shares of Rs.10each fully paid up)
 - Plant & Machinery Rs.8,00,000
 - Good will Rs.2,00,000
 - Investment in shares of Raja Ltd., Rs.2,00,000
 - General Reserve Rs.1,95,000
 - Stock in trade Rs.1,00,000
 - Bills Receivable Rs.50,000
 - Debtors Rs.1,50,000
 - Creditors Rs.1,00,000
 - Bank loan (unsecured) Rs.1,00,000
 - Provision for tax Rs.50,000
 - Proposed dividend Rs.55,000

Prepare the Balance Sheet of the company as per Revised Schedule VI , Part I of the Companies Act 1956.
5. What is purchase consideration? Explain its various methods.
6. Bee Ltd., has 60,000 equity shares of Rs.100 each, Rs.80 per share called up. Now the company decides to pay off Rs.20 per share of the paid up capital and at the same time to reduce the Rs.100 share to Rs.60 share fully paid up by cancelling the unpaid amount. Give journal entries.
7. What is statement of affairs? Give a Proforma.
8. What are the objectives of human resources accounting?

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SECTION - B (3 X 15 = 45)

Answer any THREE questions:

9. Define share and explain its types.
 10. 'A' Co Ltd., was incorporated on May 1, 2018 to take over business of 'X' & Co' as a going concern from January 1, 2008. The profit and loss account for the year ending December 31, 2008 was as follows:

Profit and Loss Account of 'A' Co Ltd., for the year ended 31.12.2008

Particulars	Rs.	Particulars	Rs.
To Rent and Taxes	12,000	By Trading a/c (Gross Profit)	1,55,000
To Insurance	3,000		
To Electricity charges	2,400		
To Salaries	36,000		
To Directors' fees	3,000		
To Auditors' fees	1,600		
To Commission	6,000		
To Advertisement	4,000		
To Discount	3,500		
To Office expenses	7,500		
To Carriage	3,000		
To Bank charges	1,500		
To Preliminary expenses	6,500		
To Bad debts	2,000		
To Interest on loan	3,000		
To Net profit	60,000		
	1,55,000		1,55,000

The total turnover for the year ending December 31, 2008 was Rs.5,00,000 divided into Rs.1,50,000 for the period up to May 1, 2008 and Rs.3,50,000 for the remaining period. Calculate the profit pre-incorporation & post-incorporation periods.

11. M Ltd., and N Ltd., agreed to amalgamate on the basis of the following Balance Sheets as on 31.3.1997.

Liabilities	M	Rs.	N	Rs.	Assets	M	Rs.	N	Rs.
Share capital Rs.25 each		75,000		50,000	Good will		30,000		—
P & L A/c		7,500		2,500	Fixed Assets		31,500		38,800
Creditors		3,500		3,500	Stock		15,000		12,000
Depreciation Fund		-		2,500	Debtors		8,000		5,200
					Bank		1,500		2,500
		86,000		58,500			86,000		58,500

The assets and liabilities are to be taken over by a new company formed called P Ltd., at book values. P Ltd's capital is Rs.2,00,000 divided into 10,000 equity shares of Rs.10 each and 10,000, 9% preference shares of Rs.10 each.

P Ltd., issued the equity shares equally to vendor companies and preference shares were issued for any balance of purchase price.

Pass journal entries in the books of P Ltd., and prepare its balance sheet, if the amalgamation is in the nature of purchase.

12. A Company went into voluntary liquidation on 31.3.1998. When the following balance sheet was prepared:

Liabilities	Rs.	Assets	Rs.
Authorised capital: 4,000 shares of Rs.10 each	40,000	Good will	6,960
Issued capital: 3,000 shares of Rs.10 each	30,000	Freehold property	5,000
Unsecured creditors	15,432	Machineries	7,480
Partly secured creditors	5,836	Stock	11,710
Preferential creditors	810	Debtors	9,244
Bank Over draft (Unsecured)	232	Cash	100
		Profit and Loss A/C	11,816
	52,310		52,310

The Liquidator realized the assets as follows:

Free hold property which was used in the first instance to pay the partly secured creditors pro-rata Rs.3,600; Machinery Rs.5,000; Stock Rs.6,200; Debtors Rs.8,700; Cash Rs.100.

The expenses of liquidation amounted to Rs.100 and the Liquidator's remuneration was agreed at 2.5% on the amount realized including cash and 2% on the amount paid to unsecured creditors.

Prepare the Liquidator's final statement of account.

13. Explain the role of Computers in Accounting.
