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First Semester M.Com. Degree Examination, May 2022

CO 215 : ADVANCED CORPORATE ACCOUNTING AND REPORTING

(2018 Admission Onwards)

Time : 3 Hours Max. Marks : 75

SECTION – A

Answer **all** questions. **Each** question carries **2** marks.

1. Define Accounting Standards
2. List out any four IFRS.
3. What is Surrender Value?
4. What is meant by Annuities?
5. Define Bonus Shares.
6. What is Cross Holdings?
7. What is consolidated balance sheet?
8. What are the different types of amalgamation?
9. What is Deficiency Account?
10. Define Liquidation.

(10 × 2 = 20 Marks)

P.T.O.

SECTION – B

Answer any **five** questions. **Each** question carries **5** marks.

11. Explain the procedure of preparation of statement of affairs.

12. How will you ascertain the claim for loss of profit?

13. Explain the importance of IFRS.

14. Prepare the Liquidator's Final Statement of Account of a limited company went into voluntary liquidation, with the following liabilities :

Trade creditors		16,800
Bank overdraft		28,000
Capital :		
14,000 Preference shares of Rs. 100 each, Rs.7 called up		98,000
14000 Equity shares of Rs. 10 each, Rs. 9 called up	1,26,000	
Less: Calls in arrears	2,800	
		1,23,200
Cash received in anticipation of calls:		
On preference shares	33,600	
On equity shares	5,600	39,200

The assets realised Rs. 2,80,000. Cost of liquidation amounted to Rs. 2,800. Liquidator's remuneration Rs. 4,200.

15. The following are the balance sheets of H Ltd and S Ltd as at 31st March 2020

Liabilities	H Ltd	S Ltd	Assets	H Ltd	S Ltd
Share capital :			Sundry Assets	4,70,000	2,60,000
(Shares of Rs. 10 each fully paid)	5,00,000	2,00,000	100% shares in S ltd	2,10,000	–
Reserves	1,00,000				
Creditors	80,000	60,000			
	6,80,000	2,60,000		6,80,000	2,60,000

Prepare a consolidated balance sheet as at 31st March 2020.

16. The following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the Liquidator's Final Account allowing for his remuneration @ 2% on the amount realised on assets and 2 % on the amount distributed to unsecured creditors other than preferential creditors:

Unsecured Creditors – Rs. 2,24,000

Preferential Creditors – Rs. 70,000

Debentures – Rs 75,000

The assets realised the following sums:

Cash in Hand – Rs. 20,000

Land and Buildings – Rs. 1,30,000

Plant and Machinery – Rs.1,10,500

Fixtures and Fittings – Rs. 7,500

The liquidation expenses amounted to Rs. 2,000. A call of Rs. 2 per share was on the partly paid 10,000 equity shares was made and duly paid except in case of one shareholder owning 500 shares.

17. Balance sheet of Fortunate Ltd as on December 31, 2020

Liabilities	Rs.	Assets	Rs.
Share capital :		Sundry Assets	7,00,000
10,000, 9% preference shares of Rs. 10 each	1,00,000	Building	1,80,000
20,000 equity shares of Rs. 10 each, fully paid	2,00,000	Profit and Loss A/c	1,00,000
10,000 equity shares of Rs. 10 each Rs. 8 paid	80,000	Preliminary Expenses	20,000
9% Debentures	3,00,000		
Bank Overdraft	1,20,000		
Trade Creditors	1,50,000		
Income Tax Due	50,000		
	10,00,000		10,00,000

The debentures were secured by a floating charge on all the assets of the company. The debenture holders appointed a Receiver. A liquidator was also appointed, the company being voluntarily wound up. The Receiver took charge of sundry assets amounting to Rs. 5,00,000 and sold them for Rs. 4,00,000. The building and the remaining sundry assets realised Rs. 1,20,000 and Rs. 2,80,000 respectively. The cost of the Receiver amounted to Rs. 2,000 and his remuneration to Rs. 2,500. The expenses of liquidation were Rs. 3,000 and the remuneration of the liquidator was Rs. 2,500. Prepare the accounts to be submitted by the Receiver and the Liquidator.

18. The following are the liabilities and assets of Amrita Ltd

Liabilities	Rs.	Assets	Rs.
Share capital	60,000	Goodwill	28,000
Debentures	10,000	Land and building	16,000
Sundry creditors	6,000	Plant and machinery	28,000
General reserve	4,000	Stock	16,000
Profit and Loss A/c	20,000	Debtors	8,000
		Cash	2,000
		Preliminary expenses	2,000
	1,00,000		1,00,000

Bangalore Ltd takes over the business of Amrita Ltd. the value agreed for various assets are: Goodwill Rs.22,000, Land & Building Rs.25,000, Plant and Machinery Rs.24,000, Stock Rs.13,000 and Debtors Rs.8,000. Bangalore Ltd does not take over cash but agrees to assume the liability of sundry creditors at Rs.5,000. Calculate the purchase consideration.

(5 × 5 = 25 Marks)

SECTION – C

Answer any **two** of the following questions. Each question carries **15** marks.

19. What are the objectives of International Accounting Standards Committee? State the standards laid down by it regarding disclosure of accounting policies.

20. Describe the different modes of winding up of the company.

21. The following is the balance sheet of X and Co. Ltd as on 31st December 2020

Liabilities	Rs.	Assets	Rs.
12,000 shares of Rs. 10 each fully paid up	1,20,000	Land & Buildings	90,000
Sundry Creditors	30,000	Machinery	50,000
Bank Overdraft	28,000	Stock	17,000
		Sundry Debtors	20,000
		Profit & Loss A/c	1,000
	1,78,000		1,78,000

The Company went into voluntary liquidation and the assets were sold to Y Co. Ltd for Rs. 1,50,000 payable as to Rs.60,000 in cash(which sufficed to discharge creditors and bank overdraft and pay off the winding expenses Rs.2,000) and as to Rs. 90,000 by the allotment of Rs. 12,000 shares of Rs. 10 each of Y Co. Ltd, Rs. 7.50 per share paid up, to the shareholders of X Co.Ltd. Draw up the journal entries and the necessary ledger accounts to close the books of X co Ltd and the journal entries for recording these transactions in the books of Y Co. Ltd.

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22. The following are the balance sheets of H Ltd and S Ltd

Liabilities	H Ltd	S Ltd	Assets	H Ltd	S Ltd
Share Capital			Sundry Assets	6,00,000	3,00,000
Shares of Rs. 100 each	5,00,000	2,00,000	1500 shares in S Ltd	2,40,000	–
Reserves	1,40,000	50,000			
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 prepare the consolidated Balance sheet.

(2 × 15 = 30 Marks)