Trade payables on 31st March, 2017 exceeded the balance on 31st March,2018 by Rs. 25,000

Amount paid to trade payables during the year Rs. 4,60,000

Tax paid during the year amounts to Rs.65,000 (provision for taxation as on 31/03/2018 Rs.45,000

Investment of Rs. 7,00,000 sold during the year at a profit of Rs.20,000

Depreciation on fixed assets amounts to Rs. 85,000

Plant& Machinery purchased on 15/11/2017 for Rs. 2,50,000

Cash & cash equivalents on 31/03/2017 Rs. 2,00,000

Cash &cash equivalents on 31/03/2018 Rs. 6,07,500

31. On 01/04/2017, X Ltd acquired 70% equity shares and 40% preference shares of Y Ltd for Rs.2,25,000 and Rs.25,000 respectively. On the above date, the general reserve and surplus of Y Ltd showed balances of Rs.30,000 and Rs.6000 respectively. The statement of financial position on 31/03/2018 stood as follows:

Particulars	X Ltd	Y Ltd
Assets		
Tangible net assets	10,00,000	4,00,000
Non-current investment in Y	2,50,000	
Ltd at cost		
Total Assets	12,50,000	4,00,000
Equity and Liabilities		
Sharecapital: Equity	8,00,000	2,50,000
Preference		50,000
Reserves	1,90,000	35,000
Surplus	80,000	26,000
Current Liabilities	1,80,000	39,000
Total Equity & Liabilities	12,50,000	4,00,000

The sharecapital of Y Ltd consists of 25,000 equity shares of Rs.10 each and 500 8% preference shares of Rs.100 each. Prepare a consolidated statement of financial position as on 31/03/2018.

 $(2 \times 15 = 30 \text{ Marks})$

(4)

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	THIRD SEMESTER B.Co	m. DEGREE EXAMI (CUCBCSS-UG)	NATION, NOVEMB	ER 2020	
	(S	upplementary/Improve	ment)		
		B04 - CORPORATE			
		(Core Course)			
Т:	Three Hours	(2017, 2018 Admissio		m: 80 Marks	
Time.	Tillee Hours		Maxillu	II. OU WIAIKS	
		Part A			
	Answer <i>all</i> q	uestions. Each question	n carries 1 mark.		
I. Fill	in the blanks:				
1.	is the systematic a	llocation of depreciable	e amount of the assets of	over its useful life	
2.	An item of PPE that qualifies for recognition as an asset shall be measured at				
3.	Bonus issue is also known as of profits.				
4.	Buy back of equity shares is a method of capital				
5.	Capital Redemption Reserve can be utilised for the issue of fully paid up				
II. Cho	oose the correct answer:				
6.	Ind AS 103 deals with				
	a) Business amalgamations		b) Business merger		
	c) Business combinations		d) Business reconstru	ection	
7.	7. Profit on sale of Sinking Fund Investment is transferred to				
	a) Sinking Fund A/c	b) P&L A/c	c) Capital reserve	d) Debenture A/o	
8.	Capital A/c in double account	nt system contains			
	a) All assets and liabilities	-			
	b) Long term assets and long	g term liabilities			
	c) Revenue expenses and inc				
	d) Appropriation of profits				
9.	Liability on bills discounted	is a liability			
	a) Fixed	b) Current	c) Intangible	d) Contingent	
10	. When 6,00,000 shares of Rs	•			
- 0	a case of		,		
	a) Sub-division	b) Consolidation	c) Capital reduction	d) None of these	
	a, 546 411101011	o, comonidation	c, capital reduction	a, 1 tolle of these	

(1)

 $(10 \times 1 = 10 \text{ Marks})$

Turn Over

Part B

Answer any *eight* questions. Each question carries 2 marks.

- 11. What are the sources of issue of bonus shares?
- 12. State the meaning of impairment of assets.
- 13. Define double account system.
- 14. What is sale and lease back?
- 15. What do you mean by a qualifying asset?
- 16. What is meant by borrowing cost?
- 17. Explain the term cost as provided in Ind AS 2
- 18. How will you calculate the value of right?
- 19. What do you understand by redemption of debentures by purchase in open market?
- 20. What is non-cash transactions? Give examples.

 $(8 \times 2 = 16 \text{ Marks})$

Part C

Answer any six questions. Each question carries 4 marks.

- 21. Examine the objectives and scope of Ind AS 1
- 22. Mention the accounting treatment for the issue of bonus shares.
- 23. Explain buy back of shares. State its merits and demerits.
- 24. Green Ltd purchased a machinery for Rs. 20,00,000 on which Govt offers a subsidy of 30%. The subsidy is directly reimbursed to the supplier on the basis of invoice. The estimated life of the asset is 6 years. The company follows straight line method for depreciation. The residual value of the machinery is estimated at Rs.1,00,000. Give the accounting treatment for the government grant.
- 25. Z Ltd is installing a new plant at its production facility. It has incurred these costs:

Cost of the plant (cost per suppliers invoice plus taxes	-	25,00,000		
Initial delivery and handling cost	-	2,00,000		
Cost of site preparation	-	6,00,000		
Consultants used for advice on the acquisition of the plant	-	7,00,000		
Interest charges paid to supplier of plant for deferred credit	-	2,00,000		
Estimated dismantling costs to be incurred after 7 years	-	3,00,000		
Operating losses before commercial production	-	4,00,000		
Advice Z Ltd on the costs that can be capitalized in accordance with Ind AS 16				

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26. On 30/04/2018 J Ltd obtained a loan from the bank for Rs.50 lakhs to be utilised as under:

Construction of a shed - Rs.20 Lakhs

Purchase of machinery - Rs. 15 Lakhs

Working capital - Rs. 10 Lakhs

Advance for purchase of truck - Rs. 5 Lakhs

In March 2019 construction of shed was completed and machinery installed. Delivery of truck was not received. Total interest charged by the bank for the year ending 31/03/2019 was Rs.9 Lakhs. Show the treatment of interest under Ind AS 23.

27. Y Ltd purchased an investment property under deferred payment system.

Down payment on the date of acquisition - Rs. 50,00,000

After 6 months - Rs. 1,20,00,000

After one year - Rs.50,00,000

The incremental borrowing rate of the company is 11%. Find out the cost of investment property.

28. On 1/1/2015, Vivek Ltd issued 4000 14% debentures of Rs.100 each, redeemable on 31/12/2019 at a premium of 5%. Pass journal entries in the books of the company on issue and redemption of debentures.

 $(6 \times 4 = 24 \text{ Marks})$

PART D

Answer any *two* questions. Each question carries 15 marks.

- 29. What is Double Account system and differentiate it from single account system and double entry system?
- 30. Prepare cash flow statement of M/s ABC Ltd for the year ended 31st March, 2018 with the following information:

Company sold goods for cash only.

Gross profit ratio was 30% for the year, gross profits amount to Rs. 3,82,500

Opening inventory was lesser than closing inventory by Rs. 35,000

Wages paid during the year Rs. 4,92,500

Office and selling expenses paid during the year Rs. 75,000

Dividend paid during the year Rs. 30,000 (including dividend distribution tax)

Bank loan repaid during the year Rs. 2,15,000 (included interest Rs.15,000)

(3)