

All the 15,000 shares in PAN Ltd were acquired by TAN Ltd on 1st October 2017. Bills Receivable held by PAN Ltd are all accepted by TAN Ltd. Included in debtors of PAN Ltd is a sum of Rs. 30,000 owing by TAN Ltd in respect of the goods supplied by PAN Ltd. Prepare a consolidated Balance Sheet of TAN Ltd as at 31st March, 2018.

17. Rear Ltd (the lessee) acquired a machinery on lease from Super Ltd (The lessor) on January 1, 2016. The lease term covers the entire economic life of the machinery ie, 3 years. The fair value of the machinery on January 1, 2016 is Rs. 7,00,000. The lease agreement requires the lessee to pay an amount of Rs. 3,00,000 per year beginning December 31, 2016. The lessee has guaranteed a residual value of Rs. 22,800 on December 31,2018 to the lessor. The lessor, however estimates that the machinery will have a salvage value of only Rs. 20,000 on December 31, 2018. The implicit rate of interest is 15% p.a. Compute the value of machinery to be recognized by the lessee and also the finance charges every year on the basis of Ind AS. (PV Factor - 15% in three years : 2.283).

18. Write in detail the developments in modern accounting.

(2 × 5 = 10 Weightage)

(4)

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(Pages: 4)

Name.....

Reg. No.....

SECOND SEMESTER M.Com. DEGREE EXAMINATION, APRIL 2021

(CUCSS - PG)

CC19P MCM2 C06 - ADVANCED CORPORATE ACCOUNTING

(Commerce)

(2019 Admissions: Regular)

Time: Three Hours

Maximum: 30 Weightage

Part-A

Answer any *four* questions. Each question carries a weight of 2.

1. Write a note on goodwill arising out of consolidation?
2. Stock of Rs. 80,000 held by Proud Ltd includes Rs. 30,000 goods purchased from Sigma Ltd who has charged a profit of 25% on cost. Calculate the amount of unrealized profit arised on consolidation.
3. Write the meaning of amalgamation. Explain the rationale for it.
4. What do you mean by current tax obligation?
5. What do you mean by Current Cost Accounting?
6. What is the objective of Ind AS 17?
7. Write the importance of environmental accounting.

(4 × 2 = 8 Weightage)

Part-B

Answer any *four* questions. Each question carries a weight of 3.

8. What do mean by Non controlling interest? How do you calculate it? What is its treatment?
9. What do you mean by forensic accounting? Write the benefits of forensic accounting.
10. Explain the objectives and importance of Human Resource Accounting.
11. On 1st April, 2018 an entity has an asset of Rs. 20,000 for interest receivable which will be taxed when the cash is received in 2018-19. Tax is payable at 20% on first Rs. 30,00,000 of taxable profit and 30% on any remainder which is in excess of Rs. 30,00,000. In 2018-19, the entity expects to earn taxable profit of Rs. 35,00,000. What amount should the entity recognize for deferred tax liability relating to the interest receivable?
12. An entity has acquired a subsidiary on January 1, 2018. Goodwill if Rs. 2 million has arisen on the purchase of this subsidiary. The subsidiary has deductible temporary difference of Rs. 1 million and it is probable that future taxable profits are going to be available for the offset of this deductible temporary difference. The tax rate is 30%. The deductible temporary difference has not been taken into account in calculating goodwill. What is the figure for goodwill that should be recognized in the consolidated balance sheet of the parent company?

(1)

Turn Over

13. A company provides accounting services. It enters into a three year service contract with customer for Rs. 6,00,000 (Rs. 2,00,000 per year). Rs. 2,00,000 is the stand alone selling price for the service at inception. At the end of the second year, the parties agree to modify the contract as follows:

(i) The fee for third year is reduced by Rs. 90,000

(ii) The contract is extended for another three years for Rs. 7,50,000 (Rs. 2,50,000 per year)

The stand alone selling price of the services at the time of modification is Rs. 2,30,000.

Show the accounting treatment.

14. On 1st April 2019, X Ltd purchased Rs. 1,00,000 8 % Government stock (Face Value Rs. 100 each) at Rs. 95 each cum-interest. Interest is payable on 30th June and 31st December each year. Show entries in investment ledger of X Ltd for the financial year ended on 31st December 2019.,ignoring income tax and brokerage.

(4 × 3 = 12 Weightage)

Part-C

Answer any *two* questions. Each question carries a weight of 5.

15. Silk Way Ltd went into voluntary liquidation as on 31st December 2018 the following are the details of that company.

Particulars	Rs.
1,500 equity shares of Rs. 100 each Rs. 80 called up	1,20,000
6% 500 preference shares of Rs. 100 each fully paid	50,000
Less calls in arrears (expected to realise in full)	2,500
5% Debentures having a floating charge on the assets (interest paid upto 30th June 2018)	50,000
Mortgage on Land & Building	40,000
Trade creditors	1,32,750
Wages outstanding	10,000
Salary of secretary (@ Rs.500 p.m.) outstanding	1,500
Managing Director's salary	3,000
Land & Building (estimated to produce Rs. 65,000)	60,000
Plant (estimated to realise Rs. 65,000)	1,00,000
Tools (estimated to realise Rs. 2,000)	10,000
Patents (estimated to realise Rs. 15,000)	25,000
Stock (estimated to realise Rs. 37,000)	43,500
Accounts receivable (Estimated to produce Rs. 30,000)	45,000
Investments pledged with the bank for an overdraft of Rs. 95,000 (estimated to produce Rs. 75,000)	90,000

On 31st December 2013, the balance sheet of the company showed a general reserve of Rs. 20,000 accompanied by a debit balance of Rs. 12,500 in the P&L account. In 2014, the company made a profit of Rs. 20,000 and declared a dividend of 10% on equity shares. The company suffered a total loss of Rs. 54,500 besides loss of stock due to fire of Rs 20,000 during 2015, 2016 and 2017. For 2018, accounts were not made. The cost of liquidation is expected to be Rs. 7,500. Prepare Statement of Affairs and Deficiency Account as on 31.12.2018.

16. The balance sheets of TAN Ltd and its subsidiary PAN Ltd as on 31st March 2018 is given below:

	TAN Ltd	PAN Ltd
I. Equity and Liabilities		
1. Shareholder's Fund		
(a) Share capital (Paid up)	10,00,000	
1,00,000 equity shares of Rs. 10 each		2,50,000
25,000 shares of Rs. 10 each		
(b) Reserves and Surplus		
General Reserve	1,50,000	50,000
Profit and Loss account on 1.4.17	2,00,000	1,00,000
Profit and Loss account on 1.4.18	2,50,000	1,25,000
2. Current Liabilities		
Creditors	1,50,000	1,50,000
Bills Payable	75,000	
SBI Overdraft	1,00,000	
	19,25,000	6,75,000
II. Assets		
(i) Non current assets		
(a) Fixed Assets		
Land & Building at cost	3,00,000	
Plant & Machinery	10,00,000	
Furniture	45,000	50,000
(b) Investments: 15,000 shares in P Ltd at cost	3,25,000	
(ii) Current Assets		
Stock	2,00,000	3,75,000
Debtors	50,000	1,40,000
Bills Receivable	--	50,000
Cash at Bank		52,500
Cash in Hand	5,000	7,500
	19,25,000	6,75,000