PART D

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

29. Explain the different methods of redemption of debentures.

30. From the following balances as on 31/12/2017, appearing in the Electric Light and Power

- Co. Ltd. You are required to prepare:
- a) Revenue Account
- c) Capital Account

d) General Balance sheet

b) Net revenue Account

apital Account	d) General	Balance sneet	
Equity shares	109800	Other debtors	100
Debentures	40000	Cash	600
Lands on 31/12/2016	30,000	Stores on hand	1400
Lands purchased in 2017	1000	Cost of generating electricity	6000
Machinery on 31/12/2016	1,20,000	Cost of distribution of electricity	1200
Machinery purchased during 2017	1000	Rent, rates and taxes	800
Mains including cost of laying on 31/12/2016	40,000	Management exp	2400
Spent on mains in 2017	10200	Depreciation	4000
Sundry creditors	200	Sale of current	26400
Depreciation fund	50,000	Rent of meters	600
Sundry debtors for current supplied	8000	Interest on debentures	2000
Balance of net revenue account on 3/12/2016	5700	Dividends	4000

31. The following balance sheets have been prepared at 31/12/2017.

	X Ltd	Y Ltd
Property, Plant & Equipment	8,50,000	1,80,000
Shares in Y Ltd	6,00,000	
Current assets	16,00,000	8,40,000
	30,50,000	10,20,000
Share Capital(Rs 10 per share)	6,50,000	2,00,000
Security Premium	3,50,000	1,00,000
Retained Earnings	7,00,000	2,50,000
Current liabilities	13,50,000	4,70,000
	30,50,000	10,20,000

X Ltd acquired 16,000 equity shares of Rs. 10 each in Y Ltd on 1/1/2017, when Y Ltd's retained earnings stood at Rs. 2,00,000. On this date the fair value of the 20% non-controlling shareholding in Y Ltd was Rs. 1,25,000. X Ltd uses the fair value method to value the non-controlling interest. Prepare the consolidated balance sheet of X Ltd as at 31/12/2017. $(2 \times 15 = 30 \text{ Marks})$

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THIRD SEMESTER B.Com. DEGREE EX (CUCBCSS

CC17U BC3 B04 - CORPOR

(Core Cou (2017 Admission

Time: Three Hours

PART A

Answer *all* questions. Each question carries 1 mark.

- I. Choose the correct answer:
 - 1. As per Ind AS 115, a promise to transfer to the customer either goods or services is known as -----
 - (a) Agreement
 - (c) Performance Obligation
 - 2. The period over which an asset is expected to be economically usable by one or more users is called -----
 - (a) Economic Life
 - (c) Guaranteed Life
 - 3. Sinking fund balance is transferred to ------
 - (a) Capital Reserve
 - (c) Sinking fund investment A/c
 - 4. Liability on bills discounted is a ------ liability (a) Fixed (b) Current
 - 5. The acquiree in a business combination is also known as -----(a) Subsidiary (b) Parent

II. Fill in the blanks:

- 6. Bonus issue is also known as ----- of
- 7. Buy back of equity shares is a method of capital ------
- 8. ----- is the excess of clear profit over the reasonable rate of return
- 9. Capital redemption reserve is used for ------
- 10. When an existing company offers its shares for sale to the existing shareholders, it is known as -----

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Maximum: 80 Marks

(b) contract (d) Liability (b) Useful Life

(d) Incremental Life

(b) Debenture A/c

(d) General Reserve A/c

(c) Intangible (d) Contingent

(c) Holding (d) Controlling

pr	ofits.	
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(10 x 1= 10 Marks) **Turn Over**

PART B

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

11. Define divisible profit.

12. State the meaning of impairment of assets.

13. Distinguish between double account system and double entry system.

14. How will you calculate the value of right?

15. What are onerous contracts?

16. Explain the scope of Ind AS 40 regarding Investment Property.

17. Define stock.

18. What is a non-cash transaction? Give Examples.

19. What is cash settled share based payment transaction?

20. What do you meant by sale and lease back transactions?

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

PART C

Answer any *six* questions. Each question carries 4 marks.

21. Explain the accounting treatment of Inventories as per Ind AS 2.

22. What do you mean by buy back of shares? Explain the advantages of buy back of shares?

23. How is cost of an internally developed intangible asset recognized as per Ind AS 38?

24. The abstract of the liability side of the balance sheet of Blue Shine Ltd. as at 31/3/2017 was as follows:

Share capital:

18,000 9.5% cumulative preference shares of Rs.100 each	18,00,000
40,000 equity shares of Rs. 100 each fully paid up	40,00,000
Reserves:	
Securities premium Reserve	5,00,000

General Reserve	9,	,00,000
Secured loans from institutions	18,	,00,000
Current liabilities and provisions	16,	,00,000

The board of directors decided to redeem the preference shares both by issue of fresh capital and by utilization of reserves but without any further borrowings. You are required to advice them the scheme for redemption and give journal entries for redemption.

25. Star Ltd has the following ledger balances: Equity share capital: 50,000 shares of Rs.10 each fully called up --- 5,00,000 40,000 shares of Rs.10 each Rs.5 called up P&L A/C (cr)Securities premium Capital Redemption Reserve Capital Reserve The company resolved to make the shares partly called up, fully called up by issue of bonus shares. It also resolved that the holders of fully paid up shares be allotted fully paid up shares in the same ratio. Pass journal entries recording the issue of bonus shares.

- 26. Kiran Ltd borrowed a loan of Rs. 50,00,000 on 1st June 2018, from a financial institution. borrowing cost to be recognized?
- initial cost of taxi license on 1st April 2018.
- March, 2018 taking tax rate of 30%. Depreciable amount of depreciable asset as on 31/03/2017 --- 12,60,000 Depreciable amount as on 31/03/2018 Tax base of the depreciable assets:

As on 31/03/2017

As on 31/03/2018

--- 2,00,000 --- 2,00,000 --- 2,00,000 --- 2,30,000 --- 70.000

They charge interest on the loan at fixed rate at 9.5% per year. Interest is payable annually in arrears. The principal is repayable in full on its 8th anniversary of the loan. The entity's annual reporting period ends on 31st March. What is the amount of

27. On 1st April 2018, an entity acquired a taxi license for Rs.95,000 including Rs.5000 nonrefundable purchase tax. The purchase agreement provided that payment must be made in full on 31st March 2019. Legal fee of Rs.2000 were incurred in acquiring the taxi license and paid on 1st April 2018. Appropriate discount rate is 10% per year. Calculate the

28. From the following information, calculate deferred tax liability for the year ending 31st

12,80,000 12,45,000 12,40,000 ___ (6 x 4 = 24 Marks)

Turn Over