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Name.....

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Reg. No.....

SECOND SEMESTER M.Com. DEGREE EXAMINATION, JUNE 2014

(CUCSS)

MC 2C 07—ADVANCED CORPORATE ACCOUNTING

(2010 Admissions)

Three Hours

Maximum : 36 Weightage

Part A

Answer *all* questions.

Each question carries 1 weightage .

1. Define 'Amalgamation'.
2. Explain the 'preferential creditors' as given under the Indian Companies Act.
3. Explain 'Goodwill or Capital Reserve' in Holding company accounting.
4. Define 'Price Level Changes'.
5. What do you mean by Accounting Standards?
6. Write a note on 'Accounting for research and development(AS8)'.

(6X1=6 weightage)

Part B

Answer any *six* questions.

Each question carries 3 weightage.

7. Distinguish between Amalgamation by merger and by purchase as per Accounting Standard 14.
8. Describe the different modes of winding up?
9. What are the disadvantages of Human Resource Accounting?
10. Explain briefly the provisions of 'Disclosure of Accounting Policies (AS.1)'?
11. A company purchased machinery on 1.1.2010 for a sum of Rs.60,000. The retail price index on that date stood at 150. You are required to restate the value of machinery according to CPP method on 31st December, 2005 when the price index stood at 200.

Turn over

12. From the balance sheet and information given below, prepare consolidated balance sheet.

BALANCE SHEET as on 31.3.2011.

Liabilities	H Ltd. Rs	S Ltd. Rs	Assets	H Ltd. Rs	S Ltd. Rs
Share Capital:			Sundry assets	20,000	15,000
Rs.10 shares each fully paid	20,000	10,000	Investment in 1,000 Shares of S Ltd.	10,000	--
Sundry liabilities	10,000	5,000			
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	30,000	15,000		30,000	15,000
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13. Bekar Ltd went into voluntary liquidation. The details regarding liquidation are as follows:

Share capital:

- i) 2,000 8% preference shares of Rs.100 each (fully paid up)
- ii) Class A – 2,000 equity shares of Rs.100 each (Rs. 75 paid up)
- iii) Class B – 1,600 equity shares of Rs.100 each (Rs.60 paid up)
- iv) Class C – 1,400 equity shares of Rs.100 each (Rs.50 paid up)

Assets including machinery realized Rs.4, 20,000. Liquidation expenses amount to Rs.15, 000.

Baker Ltd. has borrowed a loan of Rs.50,000 from Patel Brothers against the mortgage of machinery (which realized Rs.80,500). In the books of the company salaries of four clerks for four months at a rate of Rs.150 per month, are outstanding. In addition to this, the company's books show the creditors worth Rs.88,200. Prepare liquidator's statement of receipts and payments.

14. A Ltd. takes over the business of B Ltd. at the following values:

Fixed assets	Rs.3,00,000
Current assets	Rs.1,00,000
Debentures	Rs. 50,000
Current liabilities	Rs. 1,00,000

Calculate the amount of purchase consideration.

(6X3=18 weightage)

Part C

Answer any **two** questions

Each question carries 6 weightage

15. From the balance sheet and information given below, prepare consolidated balance sheet.

BALANCE SHEET as on 31.3.2012.

Liabilities	H Ltd. Rs	S Ltd. Rs	Assets	H Ltd. Rs	S Ltd Rs
Share Capital: Rs.10 shares each fully paid	5,00,000	1,00,000	Fixed assets	4,00,000	60,000
General reserve	60,000	40,000	Bills receivables	20,000	--
P& L account	2,00,000	60,000	Furniture	1,40,000	60,000
Sundry Creditors	1,10,000	60,000	Sundry Debtors	75,000	85,000
Bills payable	---	15,000	Bank balance	1,20,000	50,000
			Preliminary expense	--	10,000
			Investment in 7,500 Shares of S Ltd.	75,000	--
			Stock	3,00,000	1,20,000
	8,70,000	2,75,000		8,70,000	2,75,000

- i) The bills accepted by S Ltd are all in favour of H Ltd.
- ii) The stock of H Ltd includes Rs.25, 000 bought from S Ltd at a profit to the latter of 20 % of sales.
- iii) All the profits of S Ltd has been earned since the shares were acquired by H Ltd, but there was already the reserve of Rs.30,000 at that date.

Turn over

16. A Ltd and B Ltd were amalgamated on and from 1st April, 2012. A new company AB Ltd. was formed to take over the business of existing companies. The balance sheets of A Ltd and B Ltd. as on 31st March, 2012 are given below:

(figures in thousands)

Liabilities	A Ltd. Rs	B Ltd. Rs	Assets	A Ltd. Rs	B Ltd. Rs
Share Capital:					
Rs. 10 shares each fully paid	2,400	1,600	Fixed assets less: Depn.	4,800 800	3,200 600
12% preference share	1,200	800	Sundry Debtors	1,600	800
Capital reserve	800	600	Bank balance	--	1,200
General reserve	1,200	600	Investments	1,600	600
P & L account	400	200	Stock	1,200	600
Sundry Creditors	1,200	400			
Tax provision	800	200			
Secured loans	1,600	800			
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	9,600	5,200		9,600	5,200
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- Preference shareholders of the two companies are issued equivalent number of 15% preference shares of AB Ltd, at an issue price of Rs.125 per share.
- AB Ltd will issue one equity share of Rs.10 each for every share of A Ltd, and B Ltd. the share are issued at a premium of Rs. 5 per share. Prepare the balance sheet of AB Ltd on the assumption that the amalgamation is in the nature of merger.

17. List the different International Accounting Standards.

(2X6=12 weightage)