25P240 (Pages: 4) Name: ....

Reg.No: ....

SECOND SEMESTER M.Com. DEGREE EXAMINATION, APRIL 2026

(CBCSS - PG)

(Regular/Supplementary/Improvement)

CC19PMCM2C06 - ADVANCED CORPORATE ACCOUNTING

(Commerce)

(2019 Admission onwards)

Time : 3 Hours Maximum : 30 Weightage

Part-A

Answer any ***four*** questions. Each question carries 2 weightage.

1. What is a partly owned subsidiary?
2. How wolud you treat fictitious assets appearing in the balance sheet of subsidiay company?
3. What is net asset?
4. Who is a contributory?
5. What is tax expense?
6. What are the purposes served by an investment account?
7. What is gearing adjustment?

(4 × 2 = 8 Weightage)

Part-B

Answer any ***four*** questions. Each question carries 3 weightage.

8. Following a series of losses, ABC Ltd. Resolved to reduce its capital to 50,000 fully paid Rs. 5 shares and to eliminate its share premium account. The company's balance sheet prior to implementation of the scheme was as under:

Liabilities	Rs.	Assets	Rs.
Equity capital			
(50,000 fully paid shares of Rs. 10)	5,00,000	Goodwill	1,00,000
Share premium account	50,000	Land & building	1,62,000
Creditors	62,000	Plant & machinery	2,07,000
Bank overdraft	73,000	Stock	92,000
		Debtors	74,000
		P&L account	50,000
Total	6,85,000	Total	6,85,000

It was resolved to apply the sum available under the scheme:

a. To write off the goodwill account

b. To write off the debit balance of P & L account

c. To reduce the book values of the assets by the following amounts:

Land & building- Rs. 42,000, Plant & machinery- Rs. 67,000 and Stock- Rs. 33,600

d. To provide a bad debt reserve of 10% on the book value of debtors.

Write necessary journal entries in relation to the scheme and prepare the revised balance sheet after its implementation.

9. From the following information provided by a company for the year 2019-20, calculate deferred tax liability/ asset as per Ind AS 12 taking a tax rate of 30%:

Depreciable amount as on 31.3.2019	Rs. 15,00,000
Depreciable amount as on 31.3.2020	Rs. 15,20,000
Tax base of the asset as on 31.3.2019	Rs. 14,50,000
Tax base of the asset as on 31.3.2020	Rs. 14,45,000

10. DEE Ltd has calculated provision for tax as on 31.3.2020 of Rs. 64,00,000. An additional demand of Rs. 6,00,000 has arisen out of final tax assessment for the previous year 2018-19. Balance of defereed tax laibility as on 31.3.2020 is Rs. 2,20,000 and on 31.3.2019 is Rs. 2,10,000. Calculate tax expense for the year ending 31st March 2020.

11. On 1st December, 2019 ABC Constructions Ltd. Undertook a contract to construct a building for Rs. 85 lakhs. On 31st March, 2020 the company found that it had already spent Rs. 64 lakh on the construction. Prudent estimate of additional cost for completion was Rs. 32 lakhs. What is the total provision fro foreseeable loss, which must be made in the final accounts fro the year ended 31st March, 2020.

12. The following particulars are available about a lease:

Lessor's cost of the leased machinery	Rs. 85,000
Fair value at the inception of the lease on 1.1.2016	Rs. 90,000
Lease term	4 years
Estimated residual value at the end of the lease period	Rs. 4,000
Interest rate implicit in the lease	14%

Lease rental is Rs. 32,000, Rs. 15,000, Rs. 7,000 and Rs. 4,000 respectively in these four years, payable in advance every year. State whether the lease be classified as finance lease or an operating lease.

13. Explain the role and functions of a forensic accountant.

14. Explain the elements of environmental accounting.

(4 × 3 = 12 Weightage)

Part-C

Answer any ***two*** questions. Each question carries 5 weightage.

15. Following information was extracted from the books of a limited company on 30th June, 2019 on which date a winding up order was made:

	Rs.
Freehold premises (book value Rs. 450,000)	375,000
First mortgage of freehold premises	300,000
Second mortgage of freehold premises	112,500
8% Debentures secured by a floating charge on all the assets	150,000
(Interest due on 1st September and 1st April and paid on due dates)	
Managing Director's emoluments (6 months)	22,500
Staff salary unpaid (1 month)	16,050
Trade debtors Good	31,500
Doubtful (estimated to realize 50%)	12,900
Bad	72,750
Plant & machinery (book value Rs. 247,500) estimated to realise	174,000
Bank overdraft	58,125
Cash in hand	825
Stock-in- trade (at cost Rs. 50,850) estimated to realise	33,900
Equity share capital of Rs. 10 each fully called up	150,000
Calls in arrears on equity shares (Rs. 3,000) estimated to realise	1,500
Unsecured creditors	296,250
Contingent liabilities in resect for a claim for damages (estimated to be settled at Rs. 18,000)	37,500
Income tax liabilities:	
For 30.6.2017	5,250
For 30.6.2018	1,275
For 30.6.2019	2,700

The reserve of the company on 1.7.2018 amounted to Rs. 7,500.

Make out i. Statement of Affairs and ii. Deficiency account.

16. Explain the different methods of calculation of purchase consideration.

17. H Ltd acquired Rs.20,000 (i.e.4/5) equity shares of S Ltd. of Rs. 100 each on 31st March, 2018. Balance Sheets of H Ltd. and S. Ltd. as 31st March, 2019 were as follows:

	H Ltd. (Rs.)	H Ltd. (Rs.)
Equity and Liabilities		
Shareholders' Funds		
Share Capital:		
Shares of Rs.100 each	80,00,000	25,00,000
Reserves and Surplus:		
Reserves	30,00,000	5,00,000
Surplus Account	10,00,000	10,00,000
Current Liabilities:		
Creditors	20,00,000	5,00,000
Total Equity and Liabilities	**1,40,00,000**	**45,00,000**
Assets:		
Non-Current Assets:		
Fixed Assets	70,00,000	25,00,000
Investments: 20,000 Shares in S Ltd.	30,00,000	-----------
Current Assets	40,00,000	20,00,000
Total Assets	**1,40,00,000**	**45,00,000**

S Ltd. had the credit balance of Rs. 5,00,000 in the reserves and Rs. 2,00,000 in the Surplus Account when H Ltd. acquired the shares in S Ltd. S Ltd. issued bonus share @ 1 for every 5 shares held out of post –acquisition profits. This is not shown in the books. Prepare Consolidated Balance Sheet.

18. Explain the methods of valuation of human resources.

(2 × 5 = 10 Weightage)

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