

17. Explain the different methods of calculation of purchase consideration.
18. From the following Balance Sheet and P & L Account prepared under HCC method, prepare P& L statement for the year ending 31st March 2010 and a Balance Sheet as on that date under CCA method.

Balance Sheet as on 1.04.2010

Liabilities	Rs.	Assets	Rs.
Share capital	2,00,000	Machinery	1,00,000
P & L Account	25,000	Furniture & fixtures	25,000
Current liabilities	75,000	Stock	50,000
		Debtors	40,000
		Cash in hand	85,000

Balance Sheet as on 31.03.2011

Liabilities	Rs.	Assets	Rs.
Share capital	2,00,000	Machinery	1,00,000
P & L Account	72,500	Less: Depreciation	10,000
Current liabilities	32,500	Furniture & fixtures	25,000
		Less: Depreciation	2,500
		Stock	40,000
		Debtors	60,000
		Cash in hand	92,500
Total	3,05,000	Total	3,05,000

P & L Account for the year ending 31st March 2011

	Rs.		Rs.
To opening stock	50,000	By sales	5,00,000
To purchases	3,80,000	By closing stock	40,000
To operating expenses	50,000		
To depreciation	12,500		
To net profit c/d	47,500		
Total	5,40,000	Total	5,40,000

Other information:

- The replacement cost of the goods sold on the date the sales were made amounted to Rs. 4,00,000.
- The current replacement cost of stock on 31.03.2011 is Rs. 42,500.
- The replacement cost of the machinery and furniture & fixtures are Rs. 1,10,000 and Rs. 20,000 respectively on 31.03.2011.

(2 × 5 = 10 Weightage)

(4)

23P240

(Pages: 4)

Name:

Reg. No:

SECOND SEMESTER M.Com. DEGREE EXAMINATION, APRIL 2024

(CBCSS - PG)

(Regular/Supplementary/Improvement)

CC19P MCM2 C06 – ADVANCED CORPORATE ACCOUNTING

(Commerce)

(2019 Admission onwards)

Time: 3 Hours

Maximum: 30 Weightage

Part-A

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

- What is a Consolidated Balance Sheet?
- What is unrealised profit?
- What are the different ways of altering share capital?
- What is Liquidator's Final Statement of Account?
- What are deductible temporary differences?
- What is forensic accounting?
- Explain the scope of environmental accounting.

(4 × 2 = 8 Weightage)

Part-B

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

- A Ltd. went into voluntary liquidation. The details regarding liquidation are as follows:
Share capital: 10,000 preference shares of Rs. 100 each fully paid up
Class A- 50,000 equity shares of Rs. 10 each fully paid up
Class B- 30,000 equity shares of Rs. 10 each, Rs. 8 paid up
Assets realized Rs. 20,00,000 excluding the amount realized by sale of securities held by partly secured creditors. Preferential creditors Rs. 50,000, unsecured creditors Rs. 18,00,000, partly secured creditors (assets realized Rs. 3,20,000) Rs. 3,50,000. Debentures holding a floating charge on all assets of the company Rs. 6,00,000. Liquidation expenses amounted to Rs. 10,000. A call of Rs. 2 per share on the partly paid shares was duly received except in case of one shareholder owning 1,000 shares. Prepare Liquidator's Statement of Receipts and Payments.
- From the following information provided by a company for the year 2019-20, calculate tax expense as per Ind AS 12:

	Rs.
Current tax provision	45,00,000
Additional demand for tax	96,000
Deferred tax liability as on 31.3.2019	7,50,000
Deferred tax liability as on 31.3.2020	6,10,000

(1)

Turn Over

10. Calculate deferred tax asset/ liability from the following: Depreciable amount as on 31.3.2019 Rs. 15,00,000, depreciable amount as on 31.3.2020 Rs. 18,00,000, tax base of the depreciable asset as on 31.3.2019 Rs. 16,00,000 and tax base as on 31.3.2020 Rs. 17,60,000. Assume a tax rate of 30%.

11. Explain the accounting treatment of operating lease in the books of lessor and lessee.

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 methods of valuation of human resources.

14. On 31st June, 2018 Mr. Luther purchased Rs. 9000 5% debentures of Rs. 100 each in Bond Ltd. at Rs. 104 cum- interest, interest being payable on 31st March and 30th September every year. Expenses on stamp amounted to Rs. 80. On 1st November, 2018 he sold Rs. 3000 debentures at Rs. 108 cum- interest. Brokerage is payable on each transaction @25 paise per cent on nominal value. Make entries in the books of Mr. Arthur and show Investment Account as on 31st December, 2018.

(4 × 3 = 12 Weightage)

Part-C

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

15. Following are the Balance Sheets of H Ltd., and S Ltd., as at 31st March 2019:

Equity and Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)
Shareholders' Funds:		
Share Capital Rs.10 shares fully paid	3,00,000	1,50,000
Reserves and Surplus:		
General Reserve	1,90,000	6,000
Surplus Account	1,60,000	1,08,000
Non-Current Liabilities:		
Sundry Creditors	30,000	48,300
Total Equity and Liabilities:	6,80,000	3,12,300
Assets:		
Non-Current Assets:		
Fixed Assets:		
Freehold Premises	2,56,000	90,000
Machinery	60,000	81,300
Current Assets:		
Investment in shares of S Ltd. at cost	1,80,000	---
Stock	68,000	60,600
Sundry Debtors	56,000	47,400
Cash	60,000	33,000
Total Assets	6,80,000	3,12,300

H Ltd., acquired 12,000 shares of S Ltd., on 1-4-2018 at the total cost of Rs. 1,80,000. On Scrutiny of the liabilities and assets of H Ltd., as at 31-3-2019, the following details are obtained:

- Surplus Account includes the interim dividend at the rate of 10% p.a. free of tax from S Ltd.
- Stock includes 6,000 of Stock at cost purchased from S Ltd.
- Sundry Creditors include Rs.18,000 for purchases from S Ltd., on which the latter company made a profit of Rs. 4,500.

It is further stated that on 1-4-2018 Surplus Account of S Ltd. stood at Rs. 76,000 and the General Reserve at Rs. 4,500. No final dividends are yet proposed to be declared by S Ltd.

Prepare Consolidated balance sheet as on 31st March 2019.

16. Ajanta Limited agreed to acquire the business of Elora Ltd. as on 31st March 2011. The Balance Sheet of Elora Limited as on that date was as follows:

Liabilities	Rs.	Assets	Rs.
Paid – up Capital:		Fixed Assets:	
10,000 6% Preference Shares of Rs.10 each	1,00,000	Land and Building	2,00,000
20,000 Equity Shares of Rs.10 each	2,00,000	Machineries	1,00,000
Reserve	20,000	Current Assets:	
Profit and Loss Account	30,000	Stock	2,00,000
7% Debentures	1,00,000	Debtors	50,000
Sundry Creditors	1,50,000	Cash and Bank Balances	35,000
		Miscellaneous Expenditure:	
		Preliminary Expenses	10,000
		Debenture Discount	5,000
Total	6,00,000	Total	6,00,000

The consideration payable by Ajanta Limited was agreed as under:

- The Preference Shareholders of Elora Limited were to be allotted 8% Preference Shares of Rs. 1,10,000
- Equity Shareholders to be allotted six Equity Shares of Rs. 10 each issued at a premium of 10% and Rs. 3 cash against every five shares held.
- 7% Debentures of Elora Limited to be taken over by the transferee company.

While arriving at the agreed consideration the directors of Ajanta Limited value Land & Building at Rs. 2,50,000; Stock at Rs.2,20,000 and debtors at their book value subject to an allowance of 4% to cover doubtful debts. Debtors of Elora Limited included Rs. 10,000 due from Ajanta Limited. The stocks of Elora Ltd. include item valued at Rs. 60,000 purchased from Ajanta Ltd. (cost to Ajanta Ltd. Rs. 45,000). The machineries were valued at book value.

It was agreed that before acquisition Elora Limited will pay dividend at 10% on Equity Shares and will retain Rs. 5,000 for liquidation expenses.

- Draft Journal entries and prepare necessary accounts to close the books of Elora Limited and (b) to make journal entries and prepare Balance Sheet in the books of Ajanta Ltd. to record acquisition.