

17. From the following trial balance of a farmer, prepare Trading and Profit and Loss

Account for the year ended 31st December 2014 and Balance Sheet as on that date.

Debit Balances	Rs.	Credit Balances	Rs.
Opening stock:		Sales:	
Livestock	30500	Milk	15200
Paddy	2000	Paddy	26300
Cattle feed	1400	Livestock	4500
Fertilisers	1100	Creditors	5900
Purchases:		Capital	85600
Livestock	5800		
Fertilisers	1200		
Seeds	4000		
Crop expenses:			
Labour	3600		
Other direct expenses	400		
Livestock Expenses	5000		
General expenses	6000		
Tractor	18000		
Land	50000		
Cash in hand and at bank	8500		
	137500		137500

Also consider the following adjustments:

a. Closing stock:

Livestock	Rs. 30000
Paddy	Rs. 1500
Cattle feed	Rs. 900
Fertilizers	Rs. 600

b. The proprietor has consumed the following items out of his farm output:

Milk	Rs. 2400
Paddy	Rs. 600

c. Provide 10% depreciation on tractor.

(2 x 6 = 12 Weightage)

(4)

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Name.....

Reg. No.....

SECOND SEMESTER M.Com. DEGREE EXAMINATION, MAY 2018

(Regular/Supplementary/Improvement)

(CUCSS - PG)

CC15P MC2 C07 - ADVANCED CORPORATE ACCOUNTING

(2015 Admission onwards)

Time: Three Hours

Maximum: 36 Weightage

Part A

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

1. What do you mean by IFRS?
2. Define a Holding company.
3. What is Net asset of a company?
4. Who is a Contributory?
5. What is Address commission?
6. Define Human Resource Accounting.

(6 x 1 = 6 Weightage)

Part B

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

7. What are the challenges in implementation of IFRS in India?
8. Write a short note on the methods of accounting for price level changes.
9. Differentiate amalgamation in the nature of merger and amalgamation in the nature of purchase.
10. The liabilities and assets of the holding company H Ltd. and its subsidiary S Ltd. as on 31st December 2014 are as follows:

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital:			Sundry Assets	48000	30000
Shares of Re. 1 each	30000	15000			
Profit and Loss			Investments:		
Account	12000	5400	15000 shares in	18000	
			S Ltd.		
General Reserve	15000	-----			
Current Liabilities	66000	30000		66000	30000

H Ltd. acquired the shares in S Ltd. on 30th June 2014. On 1st January 2014 the Balance Sheet of S Ltd. showed a loss of Rs. 9000, which was written off out of profit earned during the year 2014. Profits are assumed to accrue evenly throughout the year. Prepare the Consolidated Balance Sheet.

(1)

Turn Over

11. A company has equity share capital of Rs.1000000 consisting 10000 shares of Rs. 100 each. It is resolved
- To subdivide the shares into shares of Rs.10 each
 - To ask their shareholders to surrender 50% of their shares
 - To issue 60% of the surrendered shares to 15% debenture holders of Rs.400000 in full settlement of their claims
 - To cancel the unissued surrendered shares.

Give entries in the books of the company.

12. A liquidator is entitled to receive remuneration @ 3% of the assets realized and 2% on the amount distributed among the unsecured creditors. The assets realized Rs. 8400000 against which payment was made as under: Cost of liquidation Rs. 60000, Preferential Creditors Rs. 180000 Secured Creditors Rs. 4800000 and Unsecured Creditors Rs. 3600000 Calculate the liquidator's remuneration.
13. India Shipping Company of Bombay had a ship by name Bharat, whose written down value as on 1st July 2005 was Rs 2400000. The ship was insured for Rs. 3000000 at 1% for voyage policy of hull. The ship made a trip to Sydney and returned to Madras during the period 1st July 2005 to 30th Sept. 2005. The particulars relating to the voyage are given below:

Expenses incurred:

Salary of the crew	25000	Fuel	55000
Port dues	30000	Stores expenses	32000
Shares of overheads for the ship	16000		

Stevedoring at the rate of Rs. 3 per tonne. Depreciation was charged on the written down value of the ship at the rate of 10% p.a. The freight was insured at 1%. The particulars of the freight consisted of the following:

- Leather goods 1,100 tonnes at the rate of Rs. 120 per tonne.
- Cotton 500 tonnes at the rate of Rs. 150 per tonne.
- Sugar 1,700 tonnes at the rate of Rs. 100 per tonne.

In addition to primage @ 10%, the brokerage payable was @ 5%. Prepare Voyage Account for the three months.

14. Calculate the gearing adjustment from the following data under CCA method.

	Opening (Rs.)	Closing(Rs.)
	100	120
Convertible Debentures	60	80
Bank Overdraft	10	30
Cash	150	200

Cost of Sales Adjustment	Rs. 20
Monetary Working Capital Adjustment	Rs. 15
Depreciation Adjustment	<u>Rs. 5</u>
Total Current Cost Adjustments	<u>Rs. 40</u>

(6 x 3= 18 Weightage)

Part C

Answer any *two* questions. Each question carries 6 weightage.

15. White Ltd. agreed to acquire the business of Green Ltd. as on 31st March 2012 on which date the liabilities and assets of Green Ltd. were as follows:

<i>Liabilities</i>	Rs.	<i>Assets</i>	Rs.
Capital (in fully paid shares of Rs. 10 each)	6,00,000	Goodwill	1,00,000
		Land and Buildings	3,00,000
General Reserve	1,70,000	Plant	3,40,000
Profit and Loss Account	1,10,000	Stock	1,68,000
6% Debentures	1,00,000	Debtors	56,000
Creditors	20,000	Cash	36,000
	10,00,000		10,00,000

The consideration payable by White Ltd. was:

- A cash payment of Rs.20.50 for every share in green Ltd.,
- the issue of 90,000 Rs.10 Shares of an agreed value of Rs.12.50 per share, and
- 6% debentures of Green Ltd. are taken over by White Ltd. and are discharged by the issue of such an amount of fully paid 5% Debentures in White Ltd. at 96% as is sufficient to discharge the 6% Debentures in Green Ltd. at a premium of 20%. The directors of White Ltd. valued Land and Buildings at Rs.4,00,000 and created a provision of 5% on debtors against doubtful debts. The expenses of liquidation of Rs.6,000 were paid by White Ltd. Give Journal Entries to close the books of Green Ltd., and to record the acquisition of business in the books of White Ltd.

16. The capital of Dinesh Ltd. was as under:

- 2000 equity shares of Rs. 100 each fully paid.
- 1500 equity shares of Rs. 100 each, Rs. 80 per share paid up.
- 500 preference shares of Rs. 100 each, fully paid, and
- 500 deferred shares of Rs. 100 each, Rs. 80 per share paid up (these shares, under the Articles are to be paid after satisfying the claims of equity shareholders).

The various creditors amounted in all to Rs. 50000 including liquidator's remuneration of Rs. 1250. The liquidator has made a call on the remaining Rs. 20 on the deferred shares which were paid in full. He also realized all assets amounting to Rs. 95500. A call of Rs. 15 per share was made on the equity shares which were partly paid up. This was paid in full with the exception of that on 50 shares. Prepare the liquidator's final statement of account, showing the return of money to the shareholders.