

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai - 600 044.

B.Com. A&F - END SEMESTER EXAMINATIONS - APRIL 2025
SEMESTER - IV

20UAFCT4009 - Advanced Corporate Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. A Ltd., and B Ltd., have decided to amalgamate and form a new company, C Ltd. The following details are provided A Ltd., owns assets worth Rs.10,00,000 and liabilities of Rs.4,00,000. B Ltd., owns assets worth Rs.8,00,000 and liabilities of Rs.3,00,000. The shareholders of A Ltd., are entitled to 60% of the shares in C Ltd., and the shareholders of B Ltd., are entitled to 40% of the shares. Compute the amount of assets and liabilities to be transferred to C Ltd., and how the shareholding will be distributed.
2. XYZ Bank Ltd., is a commercial bank. The following information is provided for the bank:

Cash in Hand	: Rs.5,00,000
Balance with RBI	: Rs.10,00,000
Total Advances (Loans & Advances)	: Rs.50,00,000
Total Deposits	: Rs.70,00,000
Bills for Collection	: Rs.3,00,000
Investments	: Rs.20,00,000
Borrowings	: Rs.5,00,000
Sundry Debtors	: Rs.2,00,000
Fixed Assets	: Rs.4,00,000
Provisions for Bad Debts	: Rs.1,00,000
Capital	: Rs.10,00,000
Reserves and Surplus	: Rs.8,00,000

Prepare the Balance Sheet of XYZ Bank Ltd.
3. Discuss the related Accounting for Price level changes.
4. A liquidator is entitled to receive remuneration @ 2% of the assets realized and 3% on the amount distributed among the unsecured creditors. The assets realized Rs.70,00,000 against which payment was made as follows;
Liquidation expenses Rs.50,000; Preferential creditors Rs.1,50,000 and Secured creditors Rs.40,00,000; Unsecured creditors Rs.30,00,000. Show the total remuneration payable to the liquidators.

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5. The following is the Balance sheet of S Ltd., as on 31st March, 2010.

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed Assets	2,90,000
Equity shares of Rs.10 each	2,70,000	Investment	2,75,000
General Reserve Profit & Loss A/c	3,60,000	Current Assets	1,30,000
Current liabilities	85,000	Preliminary Expenses	20,000
	7,15,000		7,15,000

H Ltd., acquired 25,000 shares in S Ltd., on 31st March, 2010 at a cost of Rs.2,75,000. Fixed assets were revalued at Rs.3,28,000. Find minority interest.

6. Classify the various Guidelines of the Reserve Bank of India for the Preparation of Final accounts of Banking Companies.

7. ABC Life Insurance Ltd., provides the following details:

Premiums received during the year	: Rs.25,00,00
Claims paid during the year	: Rs.8,00,000
Surplus from the investment fund	: Rs.3,00,000
Bonus declared to policyholders	: Rs.2,00,000
Commission expense	: Rs.1,50,000.

Prepare the Profit and Loss Account for the year ended 31st March for ABC Life Insurance Ltd., considering the above information.

8. The following particulars relate to a limited company which went into voluntary liquidation:

Preferential creditors	25,000
Unsecured creditors	58,000
6% debentures	30,000

The assets realized Rs.80,000. The expenses of liquidation amounted to Rs.1,500 and the liquidator's remuneration was agreed at 2 1/2% on the amount realized and 2% on the amount paid to unsecured creditors including preferential creditors. Ascertain and Show the liquidator's final statement of account.

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. X Ltd., absorbs Y Ltd., with the following details:

X Ltd., has paid up capital of Rs.5,00,000 in 5,00,000 equity shares of Rs.1 each.

Y Ltd., has net assets worth Rs.4,50,000, including:

Share capital	: Rs.3,00,000
Reserves	: Rs.1,00,000
Surplus in Profit & Loss A/c	: Rs.50,000

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The exchange ratio for the shares is 2:3 (i.e., for every 2 shares of Y Ltd., the shareholder will get 3 shares of X Ltd.). Prepare the necessary journal entries in the books of X Ltd., for the absorption of Y Ltd., and calculate the new share capital of X Ltd., after absorption.

10. Balance Sheets of H Ltd., and S Ltd., as at 31st March 2020 are given below:

Liabilities	H Ltd.,	S Ltd.,	Assets	H Ltd.,	S Ltd.,
Share Capital	5,00,000	2,00,000	Fixed Assets	3,00,000	1,00,000
Reserves	1,00,000	50,000	Investment		
Creditors	80,000	60,000	(60% shares in S Ltd., which acquired on 31.3.2016)		
			Current Assets	1,62,400	2,04,000
			Preliminary Expenses	2,17,600	6,000
	6,80,000	3,10,000		6,80,000	3,10,000

On 31st March 2020, S Ltd., revalued its fixed assets at Rs.1,10,000. Analyze and prepare the consolidated Balance sheet of H Ltd., and its Subsidiary S Ltd., as at 31st March 2020.

11. The following information is provided for ABC Bank Ltd., for the year ended 31st December, 2024:

Interest Income	: Rs.40,00,000
Interest Expense	: Rs.15,00,000
Commission Income	: Rs.5,00,000
Commission Expense	: Rs.1,50,000
Salaries and Wages	: Rs.8,00,000
Rent, Taxes, and Other Expenses	: Rs.3,00,000
Provisions for Bad Debts	: Rs.2,00,000
Other Income	: Rs.1,00,000
Dividend Income	: Rs.50,000

You are required to prepare and Ascertain the Profit and Loss Account for ABC Bank Ltd., for the year ending 31st December, 2024.

12. From the following data. Compute the fire revenue account for 2020 -21.

Details	Rs.	Details	Rs.
Claims paid	2,35,000	Expenses of management	1,50,000
Legal Expense	5,000	Provision against unexpired risk on 1.4.2015	2,60,000
Premium received	6,00,000	Claims unpaid on 1.4.2020	20,000
Reinsurance	60,000	Claims unpaid on 31.3.2021	35,000
Premium Commission	1,00,00		

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13. The particulars are given:

Liabilities	Rs.	Assets	Rs.
Share Capital: 2,000 14% Preference shares of Rs.100	2,00,000	Land & Buildings	1,00,000
1,000 equity shares of Rs.100 each Rs.75 paid	75,000	Machinery & Plant	2,50,000
3,000 equity shares of Rs.100 each Rs.60 paid	1,80,000	Stock at cost	55,000
14% debentures having floating charge on all assets	1,00,000	Sundry debtors	1,50,000
Interest outstanding (up to 31-03-2015)	14,000	Bank	75,500
Creditors	1,45,000	P&L A/c	83,500
	7,14,000		7,14,000

The company went into voluntary liquidation on the above date. The preference dividends were in arrears for 2 yrs. The arrears are payable on liquidation. Creditors include a loan to Rs.50,000 on the mortgage of Land & Buildings. The liquidator realized assets as follows; Land & Buildings Rs.1,20,000; Machinery & plant Rs.2,00,000; Stock Rs.60,000; Debtors Rs.1,10,000. The expenses of liquidation amounted to Rs.10,900. The liquidator is entitled to a commission of 3% on the amount realized and 2% on the amount distributed among unsecured creditors. Preferential Creditors amount to Rs.15,000. Assume the payment was made on September 30th 2015. Ascertain the Liquidators final statement of account
