

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. BIM - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - IV

**21UBBCT4009 - Advanced Corporate Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

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

1. Explain the methods of accounting Amalgamation.
2. Rajesh Ltd., agrees to purchase the business of Kumar Ltd., on the following terms
  - (a) For each of the 10,000 shares of Rs.10 each in Kumar Ltd., 2 shares in Rajesh Ltd., of Rs.10 each will be issued at an agreed value of Rs.12 per share. In addition, Rs.4 per share cash also will be paid.
  - (b) 8% Debentures worth Rs.80,000 will be issued to settle the Rs.60,000 9% debentures in Kumar Ltd.
  - (c) Rs.10,000 will be paid towards expenses of winding up.

Compute the purchase consideration.

3. X Ltd., purchased 60% shares of Y Ltd., on 01.01.2022 when the balance on their P&L A/c and General reserve were Rs. 1,50,000 and Rs.1,60,000 respectively. On 31.12.2022, the Balance Sheet of Y Ltd., showed P&L A/c balance of Rs.4,00,000 and General Reserve Rs.3,00,000. Compute Capital Profits and Revenue Profits.
4. From the following particulars, prepare a Profit and Loss A/c of New Bank Ltd., for the year ended 31.12.2016

	Rs. (in '000)		Rs. (in '000)
Interest on loans	260	Interest on cash credits	225
Interest on Fixed Deposits	280	Rant and Taxes	20
Rebate on bills discounted	50	Interest on Overdrafts	56
Commission charged to customers	9	Directors and Auditors Fees	4
Establishment Expenses	56	Interest on Savings Bank Accounts	70
Discount on bills discounted	200	Postage and Telegram	2
Printing and Advertisement	3	Sundry Charges	2

5. Explain Holding and Subsidiary Company.
6. The Life fund of a Life Insurance Company on 31.3.2016 showed a balance of Rs.54,00,000. However, the following items were not taken into account while preparing the Revenue A/c for 2015-16:

Particulars	Rs.
(a) Interest and dividends accrued on investments	20,000
(b) Income tax deducted at source on the above	6,000
(c) Reinsurance claims recoverable	7,000
(d) Commission due on reinsurance premium paid	10,000
(e) Bonus in reduction of premiums	3,000

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7. Compute conversion factor to ascertain the value of stock and asset from the information given below :

Closing Price Index Number	220
Index Number on the date of Purchase of an item of Stock	200
Index Number on the date of Purchase of a fixed asset	176

8. From the following, Determine the Cost of Sales Adjustment under CCA method

Particulars	Historical Cost (Rs.)	Index for Goods
Opening Stock	4,00,000	200
Purchase	14,40,000	240 (Average)
	18,40,000	
Less: Closing Stock	6,72,000	280
Cost of Sales	11,68,000	

### Section C

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

9. The following are the balance sheets of Saradha Ltd., and Bharathi Ltd., as on 31.03.2020

Liabilities	Saradha Ltd. (Rs. )	Bharathi Ltd. (Rs. )	Assets	Saradha Ltd. (Rs. )	Bharathi Ltd. (Rs. )
Equity Share Capital (Rs.10 each)	5,00,000	3,00,000	Fixed Assets	8,00,000	3,50,000
8% Preference Share Capital (Rs.100 each)	2,00,000	1,00,000	Current Assets	4,00,000	2,50,000
General Reserve	1,00,000	50,000			
P& L A/C	50,000	30,000			
12% Debentures (Rs.100 each)	50,000	20,000			
Current Liabilities	3,00,000	1,00,000			
	12,00,000	6,00,000		12,00,000	6,00,000

Saradha Ltd., agreed to acquire Bharathi Ltd., on the following terms:

- 11% Preference shares will be issued to discharge the preference shares in Bharathi Ltd., at 25% premium.
- Cash of Rs. 2 per share will be paid and one equity share in Saradha Ltd., will be issued at agreed value of Rs. 13 per share for every equity share in Bharathi Ltd.
- Bharathi Ltd.,'s debentures are to be paid off in cash.

Compute the Purchase Consideration and prepare its balance sheet, if amalgamation is in the nature of merger.

10. The Balance Sheet of C Ltd., and D Ltd., as at December, 2020 are as follows

Liabilities	C Ltd., (Rs.)	D Ltd., (Rs.)	Assets	C Ltd., (Rs.)	D Ltd., (Rs.)
Share Capital (in shares of Rs.10 each)	2,00,000	1,00,000	Sundry Assets	1,32,500	1,38,200
General Reserve	18,000	20,000	Goodwill	-	20,000
Profit and Loss A/c	24,500	23,000	Shares in D Ltd. at cost	1,40,000	
Creditors	30,000	15,200			
	2,72,500	1,58,200		2,72,500	1,58,200

In the case of 'D' Ltd., profit for the year ended 31<sup>st</sup> December, 2020 is Rs.12,000 and transfer to Reserve is RS.5,000. The holding of C Ltd., in D Ltd., is 90% acquired on 30 the June 2020. Prepare a consolidated Balance Sheet of C Ltd., and its Subsidiary.

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11. On 31<sup>st</sup> December 2022. The following Balances stood in the books of Asian Bank Ltd., after preparation of its Profit and Loss Account.

	Rs.(in '000)
Share Capital: Issued and subscribed	4,000
Reserve Fund	6,200
Fixed Deposits	42,600
Savings Bank Deposits	19,000
Current Account	23,200
Money at call and short notice	1,800
Investment	25,000
Profit and Loss Account (Cr.) 1 <sup>st</sup> Jan, 2022	1,350
Dividends for 2021	400
Premises	2,950
Cash in Hand	380
Cash with RBI	10,000
Cash with other Banks	6,000
Bills Discounted and Purchased	3,800
Loans, Cash credits and overdrafts	51,000
Bills Payable	70
Unclaimed Dividend	60
Rebate on bills Discounted	50
Short Loans (Borrowings from other banks)	4,750
Furniture	1,164
Other Assets	336
Net Profit for 2022	1,550

Prepare Balance Sheet of the bank as on 31<sup>st</sup> December 2022.

12. From the following balances extracted from the books of the L.I.C as at 31.03.2016, Prepare a Revenue A/c for the year ending 31.3.2016 in the prescribed form:

	Rs. ('000)		Rs. ('000)
Claims by Death	3,30,000	Life Assurance Fund(1.04.2015)	63,31,000
Claims by Maturity	2,15,000	Premiums	20,65,000
Agents and Canvasses Allowance	26,500	Bonus in reduction of Premiums	1,000
Salaries	44,200	Income Tax on Interest and Dividends	5,700
Travelling Expenses	1,200	Printing and Stationery	13,900
Directors Fees	8,700	Postage	14,300
Auditors Fees	1,000	Receipt Stamps	2,300
Medical Fees	52,000	Reinsurance Premium	40,950
Commission	2,18,000	Interest & Dividend (Gross)	2,72,000
Rent	2,800	Policy Renewal Fees	9,600
Law Charges	200	Assignment Fees	540
Advertising	4,300	Endowment Fees	690
Bank Charges	1,500	Transfer Fees	1,400
General Charges	2,000	Surrender	47,500

Provide Rs.1,500 thousands for depreciation of furniture and Rs.2,20,000 thousands for depreciation on Investments.

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13. Examine the different methods of valuation of human resources.

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