

QP CODE: G 1625



Reg No :

Name :

M.Com DEGREE (CSS) PRIVATE EXAMINATION, NOVEMBER 2022

Second Semester

COMMERCE

CORE - CM010201 - ADVANCED CORPORATE ACCOUNTING

2019 ADMISSION ONWARDS

07C7546D

Time: 3 Hours

Weightage: 30

Instructions (Applicable for 2020 & 2021 Admissions only) : This question paper contains two sections. Answer section I questions in the answer book provided. Section II Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under section II.

SECTION I

Part A (Short Answer Questions)

Answer any **eight** questions.

Weight **1** each.

1. Which is the situation where capital reserve arise?
2. Give a short note on the treatment of Unclaimed Dividend.
3. Give the format of a Capital Account in Double Accounting.
4. What is governing board of Insolvency Professional Agency?
5. What do you mean by adjudicating authority for individuals and partnership firms?
6. Is there any difference between liquidation and insolvency?
7. Who is a Liquidator?
8. When full amount of secured creditors is not paid, how will you treat it?
9. What is hotel accounting?
10. What is revenue expenditure of a hotel?

(8×1=8 weightage)

Part B (Short Essay/Problems)

Answer any **six** questions.

Weight **2** each.

11. Following are the extracts from the balance sheet of H Ltd. and its subsidiary S Ltd as on 31 December, 2006



Liabilities	H Ltd	S Ltd	Assets	H Ltd	SLtd
Share Capital (in Rs 10 shares)	50,000	10,000	Shares in S Ltd.(800 shares)	10,000	
General Reserve 1 January,2006	10,000	5,000			
Profit for the year	10,000	5,000			

The shares are acquired by H Ltd. on 1 July,2006.On 31 December 2006,S Ltd. decided to issue bonus shares out of general reserve in the ratio of 1 bonus share for every five held. No effect has yet been given in the books of both the companies regarding issue of bonus shares. You are required to calculate the cost of control and minority interest before and after issue of bonus shares.

12. Explain the following items in the context of preparing consolidated balance sheet:

- Cost of Control
- Inter-company owings
- Preference shares

13. What are the main objections against Double Account System?

14. *Ratnakar Electricity Co. Ltd., (which adopts the double account system) rebuilt and re- equipped a power station and the connecting lines during the year 2015. For the purpose they purchased materials of Rs.10,85,000 and used stores worth Rs.4,90,000 from their existing stock. The cost of labour came to Rs.5,22,000. The estimated supervisory overheads attributed to this project were Rs.13,000. The station was erected in 1993 at a cost of Rs.5,00,000 and the index of costs in the line stood in 2015 @385, taking 1993 as the base year. Discarded materials from the old station fetched Rs.12,000.*

Show journal entries to record the entries relating to the new station.

15. What do you mean by report of resolution professional on repayment plan?

16. Explain compulsaory winding up by the court.

17. Which are the lists to be attached to the statement of affairs?

18. What is underwriting commisiion?

(6×2=12 weightage)

Part C (Essay Type Questions)

Answer any **two** questions.

Weight 5 each.

19. The following are the liabilities and assets of the holding company P Ltd. and its subsidiary Q Ltd. as on 31st December 2014. P Ltd. acquired 12000 shares in Q Ltd on 31st December 2014. Prepare the Consolidated Balance Sheet.

Liabilities	P Ltd.	Q Ltd.	Assets	P Ltd.	Q Ltd.
	Rs	Rs		Rs	Rs
Share Capital: Shares of Re. 1	36000	15000	Sundry Assets	48000	24000

each					
Sundry Liabilities	24000	9000	Investments: 12000 shares in Q Ltd.	12000	
	60000	24000		60000	24000

20. Happy Electricity Ltd. earned a clear profit of Rs. 26,95,000 for the year ended 31st March 2019 after charging interest on debentures @ 14 % on Rs. 5,00,000. Calculate the reasonable return after taking into consideration the following facts also:

	Rs.
Fixed Assets (original cost)	2,00,00,000
Formation and other Expenses	10,00,000
Monthly Average of Current Assets (net)	50,00,000
Reserve Fund (represented by 8 % Government Securities)	20,00,000
Total Depreciation on fixed assets, written off to date	40,00,000
Contingency Reserve Investments	5,00,000
Loan From Electricity Board	30,00,000
Tariff and Dividend Control Reserve	1,00,000
Security Deposits received from Customers	4,00,000

Assume the bank rate to be 10%.

21. Mr X has been appointed as liquidator of ABC Ltd. The balancesheet at the time of liquidation as on 1.1.2019 is given below

Liabilities	Rs	Assets	Rs
Equity share capital of Rs 10 each	2,00,000	Fixed assets	2,00,000
Debentures	1,00,000	Stock	50,000
Loans	50,000	Sundry Debtors	1,25,000
Creditors	50,000	Cash	5,000
		Surplus account	20,000
	4,00,000		4,00,000

Fixed assets are sold for Rs 1,20,000 to a Debenture holder holding Rs 40,000 Debentures and cash is received after set off. Cash realized from debtors was Rs80,000 and the liquidation expenses amounted to Rs1,000. Liquidator is paid Rs1,000 fixed allowance plus 2% Commission on collection including cash in hand Rs5,000 as remuneration. Stock is sold for Rs10,000 Prepare the liquidator's final statement of account.

22. What is voyage in progress? How is it calculated?

(2×5=10 weightage)