



QP CODE: 24018962



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Reg No : .....

Name : .....

**M.COM DEGREE (CSS) EXAMINATION , APRIL 2024**

**Second Semester**

**CORE - CM010201 - ADVANCED CORPORATE ACCOUNTING**

M.COM FINANCE AND TAXATION, M.COM FINANCE AND TAXATION (SF), M.COM  
MANAGEMENT AND INFORMATION TECHNOLOGY (SF), M.COM MARKETING AND  
INTERNATIONAL BUSINESS (SF)

2019 Admission Onwards

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Time: 3 Hours

Weightage: 30

**Part A (Short Answer Questions)**

*Answer any **eight** questions.*

*Weight 1 each.*

1. What do you mean by a subsidiary company?
2. What is the meaning of pre-acquisition profit?
3. Distinguish between Double Account System and Single Account System.
4. Explain Institutional frame work under Insolvency and Bankruptcy Code.
5. What do you mean by adjudicating authority for individuals and partnership firms?
6. Explain preferential creditors as per Section 327 of the Companies Act 2013.
7. Who is a Liquidator?
8. When full amount of secured creditors is not paid, how will you treat it?
9. What is a voyage account?
10. What is address commission?

(8×1=8 weightage)

**Part B (Short Essay/Problems)**

*Answer any **six** questions.*

*Weight 2 each.*

11. From the following balance sheet of H Ltd. and its subsidiary S Ltd., prepare a consolidated balance sheet.  
Balance Sheet as on 31st December 2017





Liabilities	H Ltd. (Rs)	S Ltd. (Rs)	Assets	H Ltd. (Rs)	S Ltd. (Rs)
Share Capital (in shares of Rs. 10 each)	20,000	10,000	Sundry Assets	22,000	15,000
Sundry Liabilities	10,000	5,000	Investments in shares of S Ltd. (800 shares)	8,000	_____
	<b>30,000</b>	<b>15,000</b>		<b>30,000</b>	<b>15,000</b>

H Ltd. acquires shares in S Ltd. on 31st December 2017

12. Write a note of treatment of dividend at the time of preparation of consolidated balance sheet.
13. What are the special features of Double account system?
14. *Electric Supply Limited rebuilt and re equipped one of their Mains at a cost of Rs. 40,00,000. The old Mains thus superseded cost Rs. 15,00,000. The capacity of the new Main is double that of the old Main. Rs. 70,000 was realized from the sale of old materials. Four old motors valued at Rs. 2,00,000 salvaged from the old Main were used in the reconstruction. The cost of Labour and Materials is respectively 30% and 25% higher now than when the old Main was built. The proportion of Labour to Materials in the Main then and now is 2:3. Show journal entries for recording the above transactions under Double Account System.*
15. What do you mean by report of resolution professional on repayment plan?
16. Who is a Liquidator? What are the duties of Liquidator?
17. XYZ Company went into liquidation with the following liabilities:

Secured creditors (securities realized Rs 25000)	Rs 20000
Preferential creditors	Rs 600
Unsecured creditors	Rs 30000
Liquidation expenses	Rs 252

The liquidator is entitled to a remuneration of 3% on the amounts realized (including securities in the hands of creditors) and 1.5% on the amount distributed to unsecured creditors. The various assets (excluding securities in the hands of secured creditors) realized Rs 26000. Prepare the liquidator's final statement showing amount given to unsecured creditors.

18. List out the items in revenue & expenditure head of hotel accounting.

(6×2=12 weightage)

### Part C (Essay Type Questions)

Answer any **two** questions.

Weight **5** each.

19. From the following balance sheet of H. Ltd. and its subsidiary S Ltd. drawn up at 31.12.2010. Prepare a consolidated Balance sheet as on that date having regard to the following.





1. Reserve and profit and loss account (cr.) of S. Ltd. stood at Rs. 50,000 and 30,000 respectively, on the date of acquisition of its 80% shares held by H Ltd. as on 1/01/2010 and
2. Machinery (Book value Rs. 2,00,000) and furniture (Book value Rs. 40,000) of S Ltd. were revalued at Rs.3,00,000 and Rs. 30,000 respectively for the purpose of fixing the price of its shares there was no purchase or sale of these assets since the date of acquisition.

Balance sheets of H Ltd. S Ltd. as at 31st December, 2010.

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share capital:-					
Shares of Rs. 100 each	10,00,000	2,00,000	Machinery	6,00,000	1,80,000
Reserves	4,00,000	1,50,000	Furniture	1,00,000	34,000
Profit & loss A/c	2,00,000	50,000	Other Assets (current)	8,80,000	2,86,000
Creditors	3,00,000	1,00,000	Shares in S Ltd. 1600 at Rs. 200 each	3,20,000	--
	<b>19,00,000</b>	<b>5,00,000</b>		<b>19,00,000</b>	<b>5,00,000</b>

20. From the following details of an electricity supply company, maintaining accounts under double account system, calculate the following:

a. Clear profit    b. capital base    c. reasonable return    d. amounts available for dividend and contribution to tariff and dividend control reserve and consumers' rebate reserve.

	Rs.		Rs.
Sale of energy	12,40,000	Management expenses	90,000
Meter rents	90,000	Depreciation	60,000
Transfer fees	1,000	Interest on loan from electricity board	9,000
Costs of generation	6,05,000	Contingency reserve investment income	5,000
Distribution & selling expenses	65,000	Interest on security deposits	1,000
Rent, rates & taxes	18,000	Contribution to Provident Fund	32,000
Audit fees	5,000	Interest on bank deposits	600
Intangibles written off	3,000		

Original cost of fixed assets is Rs. 27,00,000; contributions by consumers for acquisition of such fixed assets- Rs. 2,00,000; cost of intangibles- Rs.50,000; Contingency Reserve Investment- Rs. 50,000; stores opening and closing-Rs. 40,000 and Rs. 60,000 respectively; cash & bank balances- opening Rs. 30,000 and closing Rs. 50,000.

Depreciation up to the beginning of the year Rs. 5,00,000. Intangibles written off upto the beginning of the year- Rs.





40,000. Security deposits of customers held in cash-Rs. 20,000; Tariffs and Dividend Control Reserve- opening balance- Rs. 80,000; Development Reserve- opening balance- Rs. 1,20,000.

Amount carried forward for distribution to consumers- Rs. 15,000. Loan from State Electricity Board—Rs. 90,000. No new plant and machinery was added in the year. Transfer in the year to Contingency Reserve was Rs. 8,000. Reserve Bank Rate is to be adopted at 8%.

21. M Co Ltd went into voluntary liquidation on 1.03.2018. The following were extracted from its books on that date:

Liabilities	Rs	Assets	Rs
50000 Equity shares of Rs 10 each	5,00,000	Building	1,50,000
Debentures (Secured by floating charge)	2,00,000	Plant and Machinery	2,10,000
Bank overdraft	30,000	stock	95,000
Creditors	40,000	Book debts 75000	
		Less Provision 10000	65000
		Calls in arrears	1,00,000
		Cash in hand	10,000
		Surplus account	1,40,000
	<b>7,70,000</b>		<b>7,70,000</b>

Plant and machinery and Building are valued at Rs 1,50,000 and Rs 1,20,000 respectively. On realization , losses of Rs 15,000 were expected on stock. Book debts will realize Rs 70,000. Calls in arrears are expected to realize 90%. Bank overdraft is secured against Buildings. Preferential creditors for taxes and wages are Rs6,000 and Miscellaneous expenses outstanding Rs2,000

Prepare Statement of Affairs to be submitted to the meeting of creditors

22. Explain the incomes and expenses of a shipping company in detail.

(2×5=10 weightage)

