

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom (CA) DEGREE EXAMINATION DECEMBER 2024
(Second Semester)

Branch : COMMERCE WITH COMPUTER APPLICATION

ADVANCE CORPORATE ACCOUNTING

Time: Three Hours.

Maximum: 75 Marks.

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 x 1 = 10)

Module No.	Q.NO.	Questions	K. Level.	CO
1.	1	What is share allotment account? (a).Personal Account (b).Real Account. (c).Impersonal account (d).Nominal account.	K1	CO1
	2	Infer the Debenture represent to (a).Manager's share in a business (b).Investment by shareholders in business (c).Long-term borrowing business (d).None of the above	K2	CO1
2.	3	Select the divisible Profit do not include: (a).Reserve fund (b).P & L account Balance (c).Revenue Reserve (d).Insurance Fund.	K1	CO2
	4	Contrast the Interim dividend is always shown. (a). In P & L a/c (b).In P & L appropriation a/c (c).On the assets side of the balance sheet. (d).On the liabilities..	K2	CO2
3.	5	Find the excess of purchase consideration paid to transferor Company and debited to goodwill account under the purchase method of accounting for amalgamation should be written off within a period of (a).AS-2 (b).AS -8 (c).20 (d). 5	K1	CO3
	6	Interpret the expenses of liquidation of Transferor company may be shown as " Reimbursement" in Transferor Company's Books if the expenses are agreed to be paid by: (a).Transferor Company (b) Transferee Company (c).Both the Companies (d).Neither Company.	K2	CO3
4.	7	Tell the Company in which more than 50% of shares are held by another Company is termed as (a).Holding Company (b).Subsidiary Company (c).Govt. Company (d).Public Company	K1	CO4
	8	Rephrase the Profit earned by a Subsidiary Company upto the date of acquisition of shares by the holding Company are called. (a).Revenue Profits (b).Capital Profits (c).Revaluation Profit (d).Realization Profit.	K2	CO4
5.	9	What is the Social Accounting? (a). Statutory requirement (b). Legal requirement (c).Voluntary disclosures (d).None of these.	K1	CO5
	10	Show the Backing depreciation is debited to (a). Current cost Reserve A/c (b).HC P & L A/C (c).CC P & L A/c (d).Assets A/c..	K2	CO5

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SECTION-B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 7 = 35)

Module No.	Q.NO	Questions	K. Level	CO															
1.	11.(a).	A Company forfeited 300 shares upon which Rs 7.50 per share were called up and Rs 5 per share were paid for application and allotment. The first call of Rs 2.50 per share was not paid. Calculate capital reserve in the following cases: (i).if all the forfeited shares were re-issued at Rs 5 per share Rs 7.50 called up. (ii).if 100 shares were issued @ Rs 4 per share Rs 7.50 called up.	K2	CO1															
	11, (b).	[OR] Hamid Pasha Ltd obtained an overdraft Rs 5,00,000.bank for which the company issued 7,000 12% debentures of Rs 100 each as collaterals security. Show how the items appear in Balance sheet. (i).The issues of debentures need not be recorded in the books (ii)The issue of debentures must be recorded in the books.	K3																
2.	12.(a).	How will yiu deal with the following items while preparing Balance sheet of a Company? (i).Debts more than 6 months are Rs 1,00,000. (ii).4,000 Equity shares were issued for Consumption other than cash. (iii).Balance at bank includes Rs 4,000 with X Bank Ltd which is not a scheduled bank.	K3	CO2															
	12.(b).	[OR] Dharram Ltd earned a Profit after tax of Rs 10,00,000 in 2001-02 and it wanted to pay a dividend of 18% on its capital of Rs 30,00,000.What will be the balance left in the Profit & Loss Account.?	K3	CO2															
3.	13.(a).	Assume the 'Salient features of Consideration' under AS-14?	K4	CO3															
	13.(b).	[OR] B Ltd agreed to absorb A Ltd upon the following terms: (A) Shares of A Ltd are to be Considered as worth Rs 12 each (of which shareholders are to be paid one Quarter in cash and the balance in Rs 100 shares of B Ltd. which are to be issued at 25% premium. Total shares were: 10,000 in B Ltd and 20,000 in A Ltd .Ascertain the number of shares to be issued by B Ltd.	K4	CO3															
4.	14.(a).	Appraise the "Group Accounts are of great practical value to the users of accounting information"	K4	CO4															
	14.(b)	[OR] On 31-12-2003, X Ltd acquired 80% equity shares of Y Ltd. The P & L account and General Reserve balance as per Balance Sheet of Y Ltd Prepared on 31-12-2003 amounting to Rs 6,80,000 and Rs 1,44,000 respectively. On the date of acquisition of shares, the assets of Y Ltd were revalued and gain of Rs 1,20,000 was found out .Calculate Capital Profit and Revenue Profits.	K4	CO4															
5.	15.(a).	The following information is given to you regarding 'X' Ltd for the financial year ended 31-3-2007 <table><tr><td></td><td>1-4-2006</td><td>31-3-2007</td></tr><tr><td></td><td>Rs</td><td>Rs</td></tr><tr><td>Monetary Assets</td><td>80,000</td><td>80,000</td></tr><tr><td>Monetary Liabilities</td><td>1,00,000</td><td>1,00,000</td></tr><tr><td>Retail Price Index</td><td>200</td><td>300</td></tr></table> Ascertain gain or Loss on monetary items.		1-4-2006	31-3-2007		Rs	Rs	Monetary Assets	80,000	80,000	Monetary Liabilities	1,00,000	1,00,000	Retail Price Index	200	300	K4	CO5
		1-4-2006	31-3-2007																
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Monetary Assets	80,000	80,000																	
Monetary Liabilities	1,00,000	1,00,000																	
Retail Price Index	200	300																	
15.(b).	[OR] Determine the merits of Current Purchasing Power Accounting.	K4	CO5																

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SECTION-C (30 Marks)

Answer Any Three questions

ALL questions carry EQUAL marks

(3 x 10 = 30)

Module No.	Q.N	Questions	K-Level	CO																																																																																																																								
1.	16	Super Star Ltd issued a Prospectus inviting application for 50,000 equity share of Rs,10, payable Rs 5 on application (including Rs 2 as premium),Rs 4 on allotment and the balance towards first and final call. Application were received for Rs 65,000 shares. Application money received on 5000 share was refunded with letters of regret and allotments were made Pro-rata to the applicants of 60,000 shares. Money overpaid on application including premium was adjusted on account of sums due on allotment. Mr. Sathish to whom 700 shares were allotted failed to pay the allotment money and his shares were forfeited by the directors on his Subsequent failure to pay the call money. All the forfeited shares were Subsequently sold to Mr.Jagan Credited as fully paid for Rs 9 per share. You are required to set out the journal entries and the relevant entries in the cash book.	K4	CO1																																																																																																																								
2.	17	The following Trial Balance of Nallis Ltd as on 31st Dec.'2008 is given to you. <table border="0"> <thead> <tr> <th></th><th>Debit</th><th>Rs</th><th>Credit</th><th>Rs</th></tr> </thead> <tbody> <tr> <td>Stock(1-1-2008)</td><td></td><td>80,000</td><td>8,000 equity shares</td><td></td></tr> <tr> <td>Bank</td><td></td><td>17,000</td><td>of Rs 100each Rs 75</td><td></td></tr> <tr> <td>Patents</td><td></td><td>60,000</td><td>paki</td><td></td></tr> <tr> <td>6,00,000</td><td></td><td></td><td></td><td></td></tr> <tr> <td>Calls-in-Arrears</td><td></td><td>20,000</td><td>6% Debentures</td><td>2,00,000</td></tr> <tr> <td>Return inwards</td><td></td><td>30,000</td><td>Sundry Creditors</td><td>1,00,000</td></tr> <tr> <td>Purchases</td><td></td><td>7,72,000</td><td>General Reserve</td><td>80,000</td></tr> <tr> <td>Wages</td><td></td><td>1,08,000</td><td>Sales</td><td></td></tr> <tr> <td>10,00,000</td><td></td><td></td><td></td><td></td></tr> <tr> <td>Insurance Prepaid</td><td></td><td>400</td><td>Returns inward</td><td>20,000</td></tr> <tr> <td>B/R</td><td></td><td>30,000</td><td>P & L A/C(Cr)</td><td></td></tr> <tr> <td>12,000</td><td></td><td></td><td></td><td></td></tr> <tr> <td>Sundry Debtors</td><td></td><td>80,000</td><td></td><td></td></tr> <tr> <td>Discount on issue of</td><td></td><td></td><td></td><td></td></tr> <tr> <td>Debentures</td><td></td><td>10,000</td><td></td><td></td></tr> <tr> <td>Plant & Machinery</td><td></td><td>4,00,000</td><td></td><td></td></tr> <tr> <td>Land & Building</td><td></td><td>3,00,000</td><td></td><td></td></tr> <tr> <td>Insurance</td><td></td><td>4,000</td><td></td><td></td></tr> <tr> <td>General Expenses</td><td></td><td>40,000</td><td></td><td></td></tr> <tr> <td>Establishment Exp</td><td></td><td>60,000</td><td></td><td></td></tr> <tr> <td></td><td></td><td>-----</td><td></td><td>-----</td></tr> <tr> <td></td><td></td><td>20,12,000</td><td></td><td>20,12,000</td></tr> <tr> <td></td><td></td><td>-----</td><td></td><td>-----</td></tr> </tbody> </table> Additional Information: (i).The value of stock on 31st Dec-2008 was Rs 74,000. (ii).Out standing wages totaled Rs 10,000. (iii).A Provision 5% is to be credited on sundry debtors for Doubtful debts. (iv).Depreciation patents @ 10% and Plant & Machinery@ 2.5% and on Land & Building@4%. You are required to Prepare Trading and Profit and Loss Account for the year ended 31-12-2008 and Balance Sheet as on the date.		Debit	Rs	Credit	Rs	Stock(1-1-2008)		80,000	8,000 equity shares		Bank		17,000	of Rs 100each Rs 75		Patents		60,000	paki		6,00,000					Calls-in-Arrears		20,000	6% Debentures	2,00,000	Return inwards		30,000	Sundry Creditors	1,00,000	Purchases		7,72,000	General Reserve	80,000	Wages		1,08,000	Sales		10,00,000					Insurance Prepaid		400	Returns inward	20,000	B/R		30,000	P & L A/C(Cr)		12,000					Sundry Debtors		80,000			Discount on issue of					Debentures		10,000			Plant & Machinery		4,00,000			Land & Building		3,00,000			Insurance		4,000			General Expenses		40,000			Establishment Exp		60,000					-----		-----			20,12,000		20,12,000			-----		-----	K4	CO2
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3.	18	M Ltd. And N. Ltd agreed to amalgamate on the basis of the following Balance sheet as on 31-03-2007.						K5	CO3																																																					
	<table><tr><td>Liabilities</td><td>M.Rs</td><td>N.Rs.</td><td>Assets</td><td>M.Rs</td><td>N.Rs</td></tr><tr><td>Share Capital</td><td></td><td></td><td>Goodwill</td><td>30,000</td><td>-----</td></tr><tr><td>Rs 25 each</td><td>75,000</td><td>50,000</td><td>Fixed Asset</td><td>31,500</td><td>38,800</td></tr><tr><td>P & L A/c</td><td>7,500</td><td>2,500</td><td>Stock</td><td>15,000</td><td>12,000</td></tr><tr><td>Creditors</td><td>3,500</td><td>3,500</td><td>Debtors</td><td>8,000</td><td>5,200</td></tr><tr><td>Depreciation Fund</td><td>---</td><td>2,500</td><td>Bank</td><td>1,500</td><td>2,500</td></tr><tr><td></td><td>-----</td><td>-----</td><td></td><td>-----</td><td>-----</td></tr><tr><td></td><td>86,000</td><td>58,500</td><td></td><td>86,000</td><td>58,500</td></tr><tr><td></td><td>-----</td><td>-----</td><td></td><td>-----</td><td>-----</td></tr></table>						Liabilities			M.Rs	N.Rs.	Assets	M.Rs	N.Rs	Share Capital			Goodwill	30,000	-----	Rs 25 each	75,000	50,000	Fixed Asset	31,500	38,800	P & L A/c	7,500	2,500	Stock	15,000	12,000	Creditors	3,500	3,500	Debtors	8,000	5,200	Depreciation Fund	---	2,500	Bank	1,500	2,500		-----	-----		-----	-----		86,000	58,500		86,000	58,500		-----	-----		-----	-----
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	-----	-----		-----	-----																																																									
The assets and liabilities are to be taken over by a new company formed called P.Ltd ., at book values P.Ltd 's capital is Rs 2,00,000 divided into 10,000 equity shares of Rs 10 each and 10,000 9% Preference shares of Rs 10 each. P.Ltd issued the equity shares equally to the vendor companies and preference shares were issued for any balance of purchase price. Pass journal entries in the books of P.Ltd and Prepare its Balance Sheet, if the amalgamation is in the nature of purchase.																																																														
4.	19	The following are the balance sheet of P.Ltd and N.Ltd as at 31-03-2007.						K4	CO4																																																					
	<table><tr><td>Liabilities</td><td>P/Ltd</td><td>N. Ltd</td><td>Assets</td><td>P. Ltd</td><td>N. Ltd</td></tr><tr><td>Share Capital</td><td>3,00,000</td><td>2,00,000</td><td>Fixed Assets</td><td>2,50,000</td><td>1,30,000</td></tr><tr><td>(Rs 10 each)</td><td>50,000</td><td>-----</td><td>Goodwill</td><td>-----</td><td>30,000</td></tr><tr><td>Capital Reserve</td><td>40,000</td><td>30,000</td><td>Current Assets</td><td>70,000</td><td>1,40,000</td></tr><tr><td>Profit & Loss</td><td>60,000</td><td>40,000</td><td>Shares in N Ltd</td><td>1,80,000</td><td>-----</td></tr><tr><td></td><td>-----</td><td>-----</td><td></td><td>-----</td><td>-----</td></tr><tr><td></td><td>5,00,000</td><td>3,00,000</td><td></td><td>5,00,000</td><td>3,00,000</td></tr><tr><td></td><td>-----</td><td>-----</td><td></td><td>-----</td><td>-----</td></tr></table>						Liabilities			P/Ltd	N. Ltd	Assets	P. Ltd	N. Ltd	Share Capital	3,00,000	2,00,000	Fixed Assets	2,50,000	1,30,000	(Rs 10 each)	50,000	-----	Goodwill	-----	30,000	Capital Reserve	40,000	30,000	Current Assets	70,000	1,40,000	Profit & Loss	60,000	40,000	Shares in N Ltd	1,80,000	-----		-----	-----		-----	-----		5,00,000	3,00,000		5,00,000	3,00,000		-----	-----		-----	-----						
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P Ltd acquired 75% of the shares in N.Ltd on 1-7-2006..In the case of N.Ltd ., Profit made during the current year is 40,000 and transfer to reserve is Rs 10,000. Draft a Consolidated Balance Sheet of P.Ltd and its Subsidiary N.Ltd.																																																														
5.	20	Determine the advantages and disadvantages of inflation Accounting.						K4	CO5																																																					

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