

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
MCom(CS) DEGREE EXAMINATION MAY 2025
(Third Semester)
Branch – **CORPORATE SECRETARSHIP**
ADVANCED CORPORATE ACCOUNTING - II

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)
Answer ALL questions
ALL questions carry EQUAL marks (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Indian accounting standards are the International financial reporting standards converged standards issued by the central government of India under the supervision and control of accounting standards board of ICAI and in consultation with ---- a) Accounting Standards Board b) NFRA c) Ministry of corporate affairs d) All the above	K1	CO1
	2	Preparation of consolidated Balance Sheet of Holding Co. and its subsidiary company as per a) AS – 11 b) AS – 22 c) AS – 21 d) AS – 23	K2	CO1
2	3	The long term assets that have no physical existence but, possess a value is known as Current a) assets b) Fixed assets c) Intangible assets d) Investments	K1	CO2
	4	The assets that can be easily converted into cash within a short period (i.e., 1 year or less) is known as a) Current assets b) Fixed assets c) Intangible assets d) Investments	K2	CO2
3	5	The share of outsiders in the Net Assets in subsidiary company is known as under a) Assets b) subsidiary company's liability c) Minority Interest d) outsiders liability	K1	CO3
	6	Holding Co. share in revenue profits of subsidiary company is adjusted in: a) Cost of control b) Shown on Assets side of Balance sheet c) Profit and loss account d) None of above	K2	CO3
4	7	The formula for calculating goodwill under the simple average profit method is _____ a) Goodwill = Super profit * Annuity factor b) Goodwill = Super profit * No. of years purchase c) Goodwill = Average profit * No. of years purchase d) Goodwill = Weighted average profit * No. of years purchase	K1	CO4
	8	The value of a partly paid equity share is equal to _____ a) The value of a fully paid-up share minus the calls unpaid per share b) The value of a fully paid-up share divided by the face value of a share c) The value of a fully paid-up share d) None of the above	K2	CO4
5	9	Economic Value Added provides a measure of a) How much value added by the economy b) How much value added by the operation c) How much business affects the economy d) How much wealth a company is creating compared to its cost of capital	K1	CO5
	10	The auditor of a company is required to give his report in accordance with the provisions of _____ the Companies Act, 2013. a) Section 148 b) Section 143 c) Section 149 d) Section 147	K2	CO5

SECTION - B (35 Marks)
Answer ALL questions
ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Enumerate the reasons for which accounting standards are needed.	K3	CO1
		(OR)		
	11.b.	Explore 'Inventories' defined in AS-2, Valuation of inventories?		

Cont...

2	12.a.	A limited company has an authorized capital of Rs. 1,000,000 divided into 60,000 equity shares of Rs. 10 each and 4,000 10% preference shares of Rs. 100 each. Out of this, 50,000 equity shares and 3,000 preference shares were issued and fully paid up. The profit for 2019, the first year of operation, amounted to Rs. 180,000 after income tax. The directors decided to declare a dividend of 22% on the equity share capital after: • Statutory minimum requirement transfer to general reserve • Provision of dividends on preference shares Prepare profit and loss appropriation account and show the liabilities side of the balance sheet.	K3	CO2																																							
	(OR)																																										
	12.b.	The following is the extract of trial balance as on 31.3.2021 and certain additional information of Shri Tendulkar, who carries on business under the name and style of M/s. Tendulkar and Company at Bombay: Debit Credit Stock (1.4.2020) 62,000 Purchases 1,36,000 Purchase Return 2,600 Sales 2,30,000 Sales Return 5,600 Freight on purchases 1,200 Additional Information: 1. Value of stock at close of year 44,000 Prepare Trading A/c for the year ended 31.3.2021.																																									
3	13.a.	From the following, prepare consolidated balance sheet of H Ltd. and its subsidiary S Ltd. <table><tr><td>Particulars</td><td>Rs.</td><td>Rs.</td></tr><tr><td colspan="3">Equities & Liabilities</td></tr><tr><td>Share capital :</td><td>5,00,000</td><td>3,00,000 Shares of Rs.10 each</td></tr><tr><td>Other Liabilities</td><td>1,40,000</td><td>20,000</td></tr><tr><td>Total</td><td>6,40,000</td><td>320,000</td></tr><tr><td colspan="3">Assets:</td></tr><tr><td>Sundry Assets</td><td>400,000</td><td>320,000</td></tr><tr><td>Investment in Shares of S Ltd.</td><td></td><td></td></tr><tr><td>24,000 shares of Rs.10 each</td><td>240,000</td><td></td></tr><tr><td>Total</td><td>6,40,000</td><td>3,20,000</td></tr></table>	Particulars	Rs.	Rs.	Equities & Liabilities			Share capital :	5,00,000	3,00,000 Shares of Rs.10 each	Other Liabilities	1,40,000	20,000	Total	6,40,000	320,000	Assets:			Sundry Assets	400,000	320,000	Investment in Shares of S Ltd.			24,000 shares of Rs.10 each	240,000		Total	6,40,000	3,20,000	K4	CO3									
	Particulars	Rs.	Rs.																																								
Equities & Liabilities																																											
Share capital :	5,00,000	3,00,000 Shares of Rs.10 each																																									
Other Liabilities	1,40,000	20,000																																									
Total	6,40,000	320,000																																									
Assets:																																											
Sundry Assets	400,000	320,000																																									
Investment in Shares of S Ltd.																																											
24,000 shares of Rs.10 each	240,000																																										
Total	6,40,000	3,20,000																																									
(OR)																																											
	13.b.	From the following balance sheets of H Ltd. and its subsidiary S Ltd. as on 31 December 2017, prepare consolidated balance sheet. <table><tr><td>Particulars</td><td>Rs.</td><td>Rs.</td></tr><tr><td colspan="3">Equities & Liabilities</td></tr><tr><td colspan="3">Share Capital :</td></tr><tr><td>Shares of Rs. 50 each</td><td>500,000</td><td>200,000</td></tr><tr><td>Creditors</td><td>100,000</td><td>20,000</td></tr><tr><td>Reserves</td><td></td><td>10,000</td></tr><tr><td>Profit & Loss A/c</td><td>50,000</td><td>30,000</td></tr><tr><td>Total</td><td>650,000</td><td>260,000</td></tr><tr><td colspan="3">Assets</td></tr><tr><td>Sundry Assets :</td><td>350,000</td><td>260,000</td></tr><tr><td>Investment in the shares of S Ltd</td><td></td><td></td></tr><tr><td>4,000 shares (at cost)</td><td>300,000</td><td></td></tr><tr><td>Total</td><td>6,50,000</td><td>2,60,000</td></tr></table> H Ltd. purchase shares in S Ltd. on the balance sheet date.	Particulars	Rs.	Rs.	Equities & Liabilities			Share Capital :			Shares of Rs. 50 each	500,000	200,000	Creditors	100,000	20,000	Reserves		10,000	Profit & Loss A/c	50,000	30,000	Total	650,000	260,000	Assets			Sundry Assets :	350,000	260,000	Investment in the shares of S Ltd			4,000 shares (at cost)	300,000		Total	6,50,000	2,60,000		
Particulars	Rs.	Rs.																																									
Equities & Liabilities																																											
Share Capital :																																											
Shares of Rs. 50 each	500,000	200,000																																									
Creditors	100,000	20,000																																									
Reserves		10,000																																									
Profit & Loss A/c	50,000	30,000																																									
Total	650,000	260,000																																									
Assets																																											
Sundry Assets :	350,000	260,000																																									
Investment in the shares of S Ltd																																											
4,000 shares (at cost)	300,000																																										
Total	6,50,000	2,60,000																																									
4	14.a.	A firm net profits: I year-36,000, II YEAR-40,000, III YEAR -44,000. The capital investment of the firm is Rs. 1,00,000. A fair return on the capital, having regard to the risk involved is 10 %. Calculate the value of goodwill on the basis of 3 years purchase of Super profit.	K3	CO4																																							
	(OR)																																										
	14.b.	Goodwill is to be valued at 3 years purchase of 5 years average profit. 1994-2400 1995-3000 1996-3400 1997-3200 1998-4000 Calculate the amt of goodwill																																									
5	15.a.	Compare GVA and EVA.	K3	CO5																																							
	(OR)																																										
	15.b.	Build ways to add value for customers.																																									

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Examine the disclosures in calculating depreciation.	K4	CO1

Cont...

2	17	<p>Prepare a Balance sheet as at 31st march 2015 from the following information of ABC Ltd as required under the companies act 2013.</p> <table><tr><td>Term loan</td><td>10,00,000</td></tr><tr><td>Loss for the year</td><td>3,00,000</td></tr><tr><td>Creditors</td><td>11,45,000</td></tr><tr><td>Advances</td><td>3,72,000</td></tr><tr><td>Sundry debtors</td><td>12,25,000</td></tr><tr><td>Miscellaneous expenses</td><td>58,000</td></tr><tr><td>Cash and Bank balances</td><td>2,75,000</td></tr><tr><td>Provision for doubtful debts</td><td>20,200</td></tr><tr><td>Loans from directors</td><td>2,00,000</td></tr><tr><td>Staff advances</td><td>55,000</td></tr><tr><td>Stock</td><td>4,00,000</td></tr><tr><td>Provision for tax</td><td>1,70,000</td></tr><tr><td>Fixed assets (W.D.V)</td><td>51,50,000</td></tr><tr><td>Securities premium</td><td>4,75,000</td></tr><tr><td>Finished goods</td><td>7,50,000</td></tr><tr><td>Loose tools</td><td>50,000</td></tr><tr><td>General reserve</td><td>20,50,000</td></tr><tr><td>Investments</td><td>2,25,200</td></tr><tr><td>Capital work in progress</td><td>2,00,000</td></tr></table> <p>Additional Information:</p> <p>(a) share capital consists of:</p> <p>(i) 30,000 equity shares of Rs. 100 each fully paid up.</p> <p>(ii) 10000,10% preference shares of Rs.100 each fully paid up.</p> <p>(b) Term loan is secured.</p> <p>(c) Depreciation on assets : Rs.5,00,000</p> <p>(d) Schedules need not be given</p>	Term loan	10,00,000	Loss for the year	3,00,000	Creditors	11,45,000	Advances	3,72,000	Sundry debtors	12,25,000	Miscellaneous expenses	58,000	Cash and Bank balances	2,75,000	Provision for doubtful debts	20,200	Loans from directors	2,00,000	Staff advances	55,000	Stock	4,00,000	Provision for tax	1,70,000	Fixed assets (W.D.V)	51,50,000	Securities premium	4,75,000	Finished goods	7,50,000	Loose tools	50,000	General reserve	20,50,000	Investments	2,25,200	Capital work in progress	2,00,000	K5	CO2
Term loan	10,00,000																																									
Loss for the year	3,00,000																																									
Creditors	11,45,000																																									
Advances	3,72,000																																									
Sundry debtors	12,25,000																																									
Miscellaneous expenses	58,000																																									
Cash and Bank balances	2,75,000																																									
Provision for doubtful debts	20,200																																									
Loans from directors	2,00,000																																									
Staff advances	55,000																																									
Stock	4,00,000																																									
Provision for tax	1,70,000																																									
Fixed assets (W.D.V)	51,50,000																																									
Securities premium	4,75,000																																									
Finished goods	7,50,000																																									
Loose tools	50,000																																									
General reserve	20,50,000																																									
Investments	2,25,200																																									
Capital work in progress	2,00,000																																									
3	18	<p>The balance sheet of C ltd. As at 31st December, 2006 are as follows:</p> <table><tr><th>Liabilities</th><th>C Ltd. Rs.</th><th>D Ltd. Rs.</th><th>Assets</th><th>C Ltd. Rs.</th><th>D Ltd. Rs.</th></tr><tr><td>Share capital (in shares of Rs. 10 each)</td><td>200000</td><td>100000</td><td>Sundry assets</td><td>132500</td><td>138200</td></tr><tr><td>General reserve</td><td>18000</td><td>20000</td><td>Goodwill</td><td>-</td><td>20000</td></tr><tr><td>Profit & loss /c creditors</td><td>24500</td><td>23000</td><td>Shares in D Ltd. At cost</td><td>140000</td><td>-</td></tr><tr><td></td><td>30000</td><td>15200</td><td></td><td></td><td></td></tr><tr><td></td><td>272500</td><td>158200</td><td></td><td>272500</td><td>158200</td></tr></table> <p>In the case of 'D' Ltd., profit for the year ended 31st December 2006 is Rs. 12000 and transfer to reserve is Rs. 5000. The holding of C Ltd. In D Ltd. Is 90% acquired on 30th June 2006.Draft a consolidated balance sheet of C Ltd. and its subsidiary?</p>	Liabilities	C Ltd. Rs.	D Ltd. Rs.	Assets	C Ltd. Rs.	D Ltd. Rs.	Share capital (in shares of Rs. 10 each)	200000	100000	Sundry assets	132500	138200	General reserve	18000	20000	Goodwill	-	20000	Profit & loss /c creditors	24500	23000	Shares in D Ltd. At cost	140000	-		30000	15200					272500	158200		272500	158200	K5	CO3		
Liabilities	C Ltd. Rs.	D Ltd. Rs.	Assets	C Ltd. Rs.	D Ltd. Rs.																																					
Share capital (in shares of Rs. 10 each)	200000	100000	Sundry assets	132500	138200																																					
General reserve	18000	20000	Goodwill	-	20000																																					
Profit & loss /c creditors	24500	23000	Shares in D Ltd. At cost	140000	-																																					
	30000	15200																																								
	272500	158200		272500	158200																																					
4	19	<p>From the following data relating to Padma & Co., calculate the goodwill on the basis of three years purchase of the average profit.</p> <p>i) Profits for the year ending 2000,2001,2002 were Rs.80,000, Rs.90,000and Rs.1,00,000</p> <p>ii) A non recurring income of Rs.15, 000 is included in the profit of 2000.</p> <p>iii)The closing stock for the year 2001 was overvalued by Rs.30, 000.</p>	K4	CO4																																						
5	20	Analyse the steps in calculation of EVA.	K5	CO5																																						

