25CSP207/22CSP312N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom (CS) DEGREE EXAMINATION MAY 2026
(Second Semester)

Branch – **CORPORATE SECRETARYSHIP**

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	An investment in land or buildings that are not intended to be occupied substantially for use by or in the operations of the investing in enterprise is termed as (i) Current investment (ii) Long-term investment (iii) Investment in property (iv) Intangible assets	K1	CO1
	2	The pooling of interests method is specially applied for (i) Amalgamationthe nature of merger (ii) Amalgamation in the nature of purchase (iii) Both of the above (iv) Acquisition	K2	CO1
2	3	Debentures redeemable after ten years of issue are shown as (i) Long term borrowings (ii) Short term borrowings (iii) Other current liabilities (iv) Capital	K1	CO2
	4	Dividend is paid on (i) Authorized capital (ii) Issued capital (iii) Called up capital (iv) Paid up capital	K2	CO2
3	5	Bonus share issued out of post acquisition profits will (i) Have no effect on CBS (ii) Decrease the revenue profits (iii) Decrease the total assets side if CBS (iv) Increase the goodwill to the extent of the holding company's share of the bonus	K1	CO3
	6	To excess of the share in equity or net Assets of the subsidiary over and above the price paid for the investment is shown as (i) Capital Reserve (ii) Cost of control (iii) Revenue Reserve (iv) None of the above	K2	CO3
4	7	For calculating the value of equity share by intrinsic value method, it is essential to know (i) Normal rate of return (ii) Expected rate of return (iii) Net asset (iv) Net liabilities	K1	CO4
	8	Under Net asset method, the value of a share Depends on the amount that would be available to (i) Prefer shareholders (ii) Equity shareholders (iii) Creditors (iv) Debenture holders	K2	CO4
5	9	Economic Value Added (EVA) measures (i) Accounting Profit (ii) Gross Profit (iii) Economic Profit after cost of capital (iv) Sales Growth	K1	CO5
	10	EVA concept was popularized by (i) International Accounting Standards Board (ii) Stern Stewart & Co (iii) Securities and Exchange Board of India (iv) World Bank	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.	A machine was purchased on 1.1.2011 for Rs 12 crores and depreciation on straight line basis at 10% p.a was provided on the basis of 10 years effective life of the machine. On 31.12.2013, it is reassessed and the balance of effective life time is deemed as only 3 more years. How do you deal with matters under AS 6 Depreciation Accounting?	K5	CO1
		(OR)		
	11.b.	Zee Ltd purchased another offset printing machine from USA at a cost of Rs.2,00,00,000 at an exchange rate of Rs 45 per US dollar o. 1.1.2015.However,on 31.12.2015,the exchange rate was Rs 47 per dollar and full amount for the purchase was settled on that date. How do you deal with the loss due to changes in Foreign exchange rate as per AS 11?		

Cont...

2	12.a.	A Ltd Company has paid equity share capital of Rs 15,00,000 divided into Rs 1,50,000 shares of Rs 10 each and 11% preference share capital of Rs 5,00,000 divided into 5,000 shares of Rs100 each. The balance of surplus a/c brought forward from the previous balance sheet was Rs 36,000.The profit for the year ended 31.3.2019 amounted to Rs 5,80,000 after tax. The directors Proposed a dividend of 24% on equity share capital after the following provisions (i) Transfer 10% of current year's profit to General reserve and (ii) provision for dividend on preference shares. Calculate dividend tax as per law is 20.357 % on dividends.	K2	CO2
		(OR)		
	12.b.	For the year ended 31st March 2018, provisions for income tax has been made for Rs 50,00,000. Advance payment of tax for that year amounted to Rs 45,00,000 and tax deducted at source on income earned by the company amounted to Rs 46,000. On November 15, 2018 the assessment was completed and tax liability was determined at Rs 58,40,000. Advance payment of tax for the year ended 31stMarch, 2019 was Rs 62,00,000. Show the necessary accounts for the year ending 31st March 2019 assuming Rs 70,00,000 provisions for taxation for the ending 31st March 2019.		
3	13.a.	H Ltd acquired 3000 equity shares in S Ltd on 1st April 2017. On 31st December 2017 the Balance Sheet of S Ltd was as follows. Liabilities Share capital 4000 Equity shares of Rs 100 each 4,00,000 General reserve on 1.1.2017 80,000 Profit and loss a/c balance on 1.1.17 20,000 Profit for 2017 80,000 Sundry creditors 60,000 Assets Sundry Assets 6,40,000 Ascertain capital profits and revenue profits	K3	CO3
		(OR)		
	13.b.	Calculate minority interest from the Balance Sheet of Mumbai Ltd Balance Sheet of Mumbai limited as on 31.12.2017 Liabilities Share capital 7,00,000 shares of Rs 2 each 14,00,000 General reserve as on 1.1.2017 6,00,000 Creditors 3,00,000 Profit and Loss a/c as on 31.12.2017 2,00,000 Assets Sundry assets 10,00,000 Plant and Machinery 7,00,000 Other assets 1,50,000 Investment(80% of shares) 6,50,000 Madras Ltd, acquired 80% of the shares at Rs 6,50,000.		
4	14.a.	From the following information calculate the value of goodwill on the basis of 3 year's purchase of super profit. (i) Average capital employed in the business is Rs 20,00,000 (ii) Rate of interest expected from capital having regard to the risk involved is 10 % (iii) Net trading profits of the firm for the past 3 years were Rs 3,50,400, Rs 2,80,300; Rs 3,10,100 (iv) Fair remuneration to the partners for their services is Rs 48,000 per annum (v) sundry assets of the firm are ars 23,50,400 and current liabilities are Rs 95,110	K4	CO4
		(OR)		
	14.b.	A firm earns Rs1,20,000 as its annual profits. The rate of normal profit being ten percent. The assets of the firm amount to Rs 14,40,000 and liabilities to Rs 4,80,000. Find out the value of goodwill by capitalisation method.		
5	15.a.	Discuss the Internal Users of Accounting Information.	K6	CO5
		(OR)		
	15.b.	Explain the various requirements of Corporate Reporting.		

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	Jeevan Ltd earned a net profit after tax Rs 90,00,000 during the year ended 31.3.2016. The company's equity capital is 10,000 shares of Rs 10 each The company has also issued 5,000 20% convertible debentures of Rs 20 each, convertible into shares at par. Compute basic EPS and Diluted EPS as per AS 20, assuming income tax rate at 30%.	K4	CO1

2	17	From the following particulars, show how the fixed asset machinery should be shown in the balance sheet of a company as on 31st March 2018 and March 31 2019. Cost of machinery as on 31.3.2017 Rs 2,40,000 Amount added on writing up of assets in June 2017 Rs 1,00,000 Additions made in 2017-18 Rs 12,000 Cost of machinery sold in 2017-18 Rs 7,000 Additions made in 2018-19 Rs 21,000 Cost of machinery sold in 2018-19 Rs 11,000 Depreciation provided up to 31.3.2017 ars 65,000 Depreciation in respect of machinery sold in 2017-18 ars 3000 Depreciation in respect of machinery 2018-19 Rs 8,000 Depreciation provided in 2017-18 Rs 15,000 Depreciation provided in 2018-19 Rs 20,000	K2	CO2
3	18	The following are the the balance sheet of H Ltd and its subsidiary S Ltd as on 31.3.2015. Liabilities. — H Ltd. — S Ltd Share capital Rs 10 each fully paid — 6,00,000 — 2,00,000 General reserve. — 1,50,000 — 70,000 Profit and Loss A/C — 70,000 — 50,000 Creditors — 90,000 — 60,000 Assets Machinery — 3,00,000 — 1,00,000 Furniture — 70,000 — 45,000 70% shares in S limited at cost — 2,60,000 Stock — 1,75 000 — 1,89,000 Debtors — 55,000 — 30,000 Cash at bank — 50,000 — 10,000 Preliminary expenses — - — 6,000 H Ltd acquired the shares of S Ltd on 30th, June 1994. On 1st April 2014, S Ltd 's general reserve and profit and loss account stood at Rs 60,000 and Rs 20,000 respectively. No part of the preliminary expenses were written off in the year ended 31.3.2015.Prepare Consolidated Balance Sheet of H Ltd and its subsidiary S Ltd as in 31.3.3015. Giving all your working notes separately.	K3	CO3
4	19	The Paid up share capital of Soundarya Limited consist of 4000 8% preference shares of Rs 100 each and 20000 equity shares of Rs 50 each. According to Articles of Association, the preference shares are entitled to participate in the surplus profits to the extent of 1/10 of profits remaining after payment of 8% dividend on preference shares and 12% dividend on equity shares. The balance of profits is available to equity shareholders.The average annual profits of the company areRs 3,92,000 after providing for depreciation and taxation. It is considered necessary to transfer Rs 40,000 per annum to reserve fund. The normal return expected on preference shares is 10% and on equity shares is 12%. Find out the value of each preference share and equity share in the company.	K5	CO4
5	20	Explain the contents and importance of Directors' Report.	K5	CO5

Z-Z-Z END