

GVM'S GGPR College of Commerce & Economics, Ponda Goa

M.Com Semester II End Examination, July, 2021

COC 220 –Advance Corporate Accounting

Duration – 02 Hours

Maximum Marks: 30

- Instructions:
1. *This paper consists of 5 questions.*
 2. *Question no. 1 consist of 5 compulsory questions of 2 mark each*
 3. *Answer any 2 questions from question no. 2 to 5*
 4. *Figures to the right indicate marks.*

Q. 1. Answer the following questions: (2 Marks each)

- a. What is Fundamental difference between Life insurance and General insurance?
- b. State and explain two methods of Purchase Consideration.
- c. Explain what is winding up of a company under Companies Act 2013?
- d. What are the features of holding company? Give examples.
- e. What is the main objective of final accounts?

Q.2. From the following balances Balance Sheet of HDFC Bank Ltd. for the ended 31st March 2020.

Particulars	Amount	Particulars	Amount
Equity Share Capital	10,00,000	Premises	12,50,000
Appropriation to Statutory Reserve	2,00,000	Statutory Reserve	5,00,000
Capital Reserve	2,00,000	Profit and loss balance	7,00,000
Saving Bank Deposits	14,00,000	Demand Deposits	12,00,000
Borrowings from RBI	12,00,000	Term Deposits	10,00,000
Bills Payable	15,00,000	Borrowings from other banks	52,70,000
Cash in hand	7,00,000	Inter Office Adjustments (Cr.)	7,00,000
Money at call and short notice	22,50,000	Balance with R.B.I.	12,70,000

Investment in shares	22,50,000	Investment in Government securities	14,00,000
Overdrafts	15,00,000	Cash Credits	17,50,000
Term Loans	25,00,000	Term Loans	25,00,000

Additional Information:

- i. Bills for collection Rs.2, 20,000.
- ii. Claims against the banks not acknowledged as debts Rs. 4, 80,000.
- iii. Directors proposed dividend of 12%
- iv. Depreciation for the year on Premises Rs. 10000.

Prepare Balance Sheet of HDFC Bank Ltd.

(10 Marks)

Or

Q.3. Following is the Balance Sheet of Mapusa Steel ltd. as on 31st March 2020:-

Particulars	Amount	Particulars	Amount
20000 14% Redeemable Preference shares of Rs. 10 each	2,00,000	Land & Building	1,90,000
10000 Equity shares of Rs. 10 each, Rs.9 paid	90,000		
10000 Equity shares of Rs. 10 each, Rs. 5 paid	50,000		
14% Mortgage Debentures (holding a floating charge on all assets of the company)	1,00,000	Plant & Machinery	1,20,000
Interest outstanding on the Debentures	14,000	Patents	10,000
Loan secured by hypothecation of stock	40,000	Investments	40,000
Trade Creditors	72000	Stock	45,000
Creditors for salaries and wages	15000	Sundry Debtors	90,000
Liability for workmen's compensation	2000	Cash at Bank	35,000
Owing to Government for telephone & purchases	2500	Profit and Loss Account	65,500
Owing to Government for taxes	10000		

	5,95,500		5,95,500
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The company went into voluntary liquidation on 1st April, 2020 and a liquidator was appointed with a remuneration of 2 per cent of assets realised with the exception of cash and 2 per cent of the amount distributed among unsecured creditors other than preferential creditors. The dividend of preference shares was not paid for 2019-2020.

Stock realised Rs. 30000 and the other assets excluding cash realised Rs. 4, 00,000. All assets were realised and payments made on September 30, 2020.

Prepare the Liquidators Final Statement of Accounts, assuming the expenses of liquidation were Rs. 5,610. (10 marks)

Or

Q. 4. Following is the Balance Sheet of Hemant Ltd. and Shyaam Ltd. as on 31st March 2020.

Liabilities	H	S	Assets	H	S
Share Capital Equity shares of Rs. 10 each	600000	180000	Premises	450000	195000
Profit and Loss account As on 1 st April 2019 Profit for the year	75000 120000	24000 36000	Current Assets	150000	33000
Reserves & Surplus General Reserve on 1 st April 2019	150000	18000	Trade Receivables	24000	15000
Bills Payables	30000	6000	Bills Receivables	36000	30000
Trade Payables	15000	9000	Investment in Shyaam Ltd.	330000	-
	990000	273000		990000	273000

Additional Information:

- a. Hemant Ltd. purchased 16500 shares of Rs. 10 each in Shyaam Ltd. for Rs.20 each.
- b. All the assets and liabilities of Shyaam ltd. are taken over at book value except the Premises which were undervalued by Rs. 75000.

- c. The Debtors of Hemant Ltd. includes Rs. 15000 due from Shyaam ltd.

Prepare Consolidated Balance Sheet of Hemant Ltd.(10 Marks)

Or

Q.5. Titan Ltd. agreed to acquire business of Jerry Ltd., as on 31.03.2020. The summarised Balance sheet of Fastrack Ltd. as on 31st March 2020 was as follows:

Liabilities	Amount
12,000 Equity shares of Rs.10 each fully paid	1,20,000
General reserve	34,000
Profit & Loss Account	22,000
6% Debentures	20,000
Creditors	4,000
	2,00,000
Assets	
Goodwill	20,000
Building	60,000
Machinery	68,000
Closing stock	33,600
Debtors	7,200
I.C.I.C.I. Bank Account	11,200
	2,00,000

The consideration payable was as follows:

- a. Cash payment equal to Rs. 2.50 per share in Fastrack Ltd.
- b. Issue of 18,000 Equity shares of Rs. 10 each of Tom Ltd. having an agreed value of Rs.15 per share.
- c. Issue of such an amount of fully paid 9% Debentures of Titan Ltd. at Rs.96 each as is sufficient to discharge 6% Debentures of Fastrack Ltd. at 20% premium.
- d. While calculating the consideration the assets were revalued as follows:
Building and Machinery at Rs. 1, 20,000 each
Stock at Rs.28, 400
Debtors subject to 5% provision for discount.
- e. Liquidation expenses agreed to be paid by Fastrack Ltd. was Rs. 1000.

Prepare:

- i. **Statement of Purchase consideration**

ii. Opening journal entries in the books of Fastrack Ltd.

*******All the Best*******