



SRN – 28

M.Com. (Semester – II) Examination, April 2017
COC201 : CORPORATE ACCOUNTING (OA-18)
(Old)

Duration : 3 Hours

Max. Marks : 60

- Instructions :** i) This paper consists **nine** questions carrying **equal** marks.
ii) Questions No. 1 consists of **5 compulsory** questions of **2 marks each**.
iii) Answer **any 5** questions from question **2, 3, 4, 5, 6, 7, 8** and **9**.
iv) **Each** question carries **10** marks. Figures to the **right** indicate marks.

1. Answer the following questions in brief. (5×2=10)
- What is a consolidated Financial Statement ?
 - What is Financial Statement ? Explain importance of Financial Statement.
 - Distinguish between Pooling of Interest method and purchase method.
 - Explain the various list to be attached to statement of affairs.
 - Define Deferred Tax Assets and Deferred Tax Liabilities.
2. Janvi Ltd. has authorized share capital of Rs. 30,00,000 consisting of 3,00,000 equity share of Rs. 10 each. The following is the trial balance of the company as at 31st March 2015. 10

| Particular | Amount | Particular | Amount |
|-----------------------|-----------|-------------------------------|-------------|
| Calls in Arrear | 2,00,000 | Sales | 1,56,20,000 |
| Purchases | 87,70,000 | Creditors | 5,00,000 |
| Advance tax paid | 24,50,000 | 12% Debentures | 10,00,000 |
| Salaries | 20,00,000 | General Reserve | 5,80,000 |
| Selling Expenses | 22,00,000 | Provision for Depreciation on | |
| Rent | 1,00,000 | Plant | 5,00,000 |
| Prepaid Rent | 20,000 | Furniture | 3,00,000 |
| Interest on Debenture | 1,00,000 | Securities Premium | 4,50,000 |
| Plant | 25,00,000 | Surplus | 1,20,000 |

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| | | | |
|---------------------------------|--------------------|------------------------------|--------------------|
| Furniture | 13,00,000 | Provision for Doubtful Debts | 30,000 |
| Debtors | 8,00,000 | Commission | 1,00,000 |
| Discount on issue of debentures | 10,000 | Equity Share Capital | 20,00,000 |
| Stock | 4,50,000 | Provision for Tax | 12,50,000 |
| Bad Debts | 50,000 | | |
| Bank balance | 4,50,000 | | |
| Buildings | 10,50,000 | | |
| | 2,24,50,000 | | 2,24,50,000 |

Additional Information :

- i) Rent Rs. 20,000 is outstanding.
- ii) Plant includes plant costing Rs. 2,50,000 Purchased on 1st October 2014. Provide depreciation on plant at 20% per annum and on Furniture at 10% per annum on written down value basis.
- iii) Maintain a provision for doubtful debts at 5% on Debtors.
- iv) The company proposed a dividend at 10% on paid up share Capital.
- v) Make a provision of 30% for Income Tax (including Surcharge and cess.)
- vi) Corporate Dividend tax is at 16.995% (including Surcharge and cess.)
- vii) Closing Stock is Rs. 20,00,000.

You are required to prepare :

- i) Statement of Profit and Loss.
- ii) Balance Sheet in the prescribed form as at 31st March 2015.

3. The Balance Sheet of Ahaan Ltd. on 31st March 2015 was as follows : 10

| Equity and Liabilities | Amount | Assets | Amount |
|------------------------------------|------------------|---------------------|------------------|
| 4000 Equity Shares of Rs. 100 each | 4,00,000 | Goodwill | 1,00,000 |
| 6% Debentures | 3,00,000 | Land and building | 2,00,000 |
| Sundry creditors | 1,00,000 | Plant | 2,00,000 |
| Loan | 1,50,000 | Stock | 1,00,000 |
| Preferential Creditors | 50,000 | Sundry Debtor | 1,50,000 |
| | | Profit and loss A/c | 2,50,000 |
| | 10,00,000 | | 10,00,000 |



The Company was reconstructed under the following scheme :

- 1) The paid-up value of share was reduced to Rs. 60 each.
- 2) Debenture holders agreed to reduce their claim to Rs. 2,50,000.
- 3) Creditors accepted Rs. 1,00,000 in cash in full settlement of their claims.
- 4) Preferential Creditors were paid in full.
- 5) Land and building revalued Rs. 3,00,000 and reserve for doubtful debts provision of Rs. 10,000 was made.
- 6) Goodwill and profit and Loss Account to be written off.
- 7) Balance of Rs. 40 per share was called and paid in full.

Draft Journal Entries and prepare Balance Sheet of Ahaan Ltd. as per schedule III of Companies Act, 2013.

4. The following are Assets and liabilities of Minku Ltd. Babu Ltd., as on 31st March 2013.

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| Equity and Liabilities | Minku Ltd. | Babu Ltd. |
|--------------------------------|-------------------|------------------|
| Equity share capital @ 10 each | 16,00,000 | 5,00,000 |
| 9% Preference Share Capital | | 2,00,000 |
| General Reserve | 9,00,000 | 1,80,000 |
| Statutory Reserve | 1,50,000 | 90,000 |
| Surplus | 2,80,000 | 70,000 |
| 10% Debentures | | 2,00,000 |
| Creditors | 2,00,000 | 1,00,000 |
| | 31,30,000 | 13,40,000 |
| Assets | | |
| Building | 9,30,000 | 4,50,000 |
| Machinery | 5,60,000 | 3,10,000 |
| Furniture | 2,80,000 | 1,15,000 |
| Stock | 7,20,000 | 2,25,000 |
| Debtors | 4,50,000 | 1,60,000 |
| Cash at Bank | 1,90,000 | 80,000 |
| | 31,30,000 | 13,40,000 |



On 1st April 2013, Minku Ltd. takeover Babu Ltd. on the following terms :

- i) Building and machinery are valued at Rs. 6,00,000 and Rs. 3,00,000.
- ii) Minku Ltd. will issue 50,000 equity shares of Rs. 10 each at Rs. 12 to the equity shareholder of Babu Ltd.
- iii) Minku Ltd. will issue 2,000, 12% Debentures of Rs. 100 each at par to the debenture holders of Babu Ltd.
- iv) Minku Ltd. will issue 2,000, 10% Preference Share of Rs. 100 each at par to the preference shareholders of Babu Ltd.
- v) Minku Ltd. will bear liquidation expenses of Babu Ltd.
- vi) Statutory reserves are to be maintained for two more years.

You are required to pass journal entries in the books of Minku Ltd. assuming that amalgamation is in the :

- a) nature of Merger and
 - b) in the nature of Purchase.
5. From the Balance Sheets given below, Prepare Consolidated Balance Sheet of X Ltd., and its subsidiary Y Ltd., The interest of minority shareholders in Y Ltd. is to be shown as a separate item in the Consolidated Balance Sheet. 10

Balance Sheets of X and Y Ltd.

| Particulars | Note no. | Amount | |
|---------------------------------|----------|------------------|-----------------|
| | | X Ltd. | Y Ltd. |
| I Equity and Liabilities | | | |
| Shareholder's funds | | | |
| Share Capital | 1 | 12,00,000 | 3,00,000 |
| Reserve and Surplus | 2 | 3,70,000 | 1,50,000 |
| Current Liabilities | | | |
| Trade Payables | | 1,50,000 | 50,000 |
| | | 17,20,000 | 5,00,000 |
| II Assets | | | |
| Fixed Assets | 3 | 12,00,000 | 4,00,000 |
| Non-Current Investment | 4 | 2,50,000 | |
| Current assets | | | |
| Inventories | | 1,40,000 | 65,000 |
| Trade Receivables | | 90,000 | 20,000 |
| Cash and Cash Equivalents | | 40,000 | 15,000 |
| | | 17,20,000 | 5,00,000 |



Notes :

| | H Ltd. | S Ltd. |
|--|------------------|-----------------|
| 1. Share Capital | | |
| Issued Subscribed and paid up | | |
| Equity share of Rs. 10 each fully paid up | <u>12,00,000</u> | <u>3,00,000</u> |
| 2. Reserve and Surplus | | |
| General Reserve | 2,50,000 | 60,000 |
| Surplus i.e. credit balance of Profit and Loss A/c | <u>1,20,000</u> | <u>90,000</u> |
| | 3,70,000 | 1,50,000 |
| 3. Fixed Assets | | |
| Building | 8,00,000 | |
| Leasehold Property | | 2,50,000 |
| Plant and Machinery | 3,00,000 | 1,00,000 |
| Furniture | <u>1,00,000</u> | <u>50,000</u> |
| | 12,00,000 | 4,00,000 |
| 4. Non-Current investments | | |
| 2000 fully paid equity shares in S Ltd. at cost | 2,50,000 | |

On the 1st April 2011 the date of acquisition by X Ltd. of its holding of 20,000 shares in Y Ltd. the later company had a credit balance of Rs. 60,000 in its profit and loss account.

6. Explain and illustrate the various points which are taken into consideration while preparing Consolidate Financial Statement of Holding and Subsidiary companies. 10
7. What do you mean by liquidation of a Company ? Describe the different modes of Winding-up. 10
8. Tally ERP 9 provides quality service application for inventory control. Explain in detail how the inventory is managed through Tally ERP 9. 10
9. Enumerate the importance of IFRS in the global Accounting. Also state the limitations of IFRS in India. 10