

**G.V.M.'s Gopal Govind Poy Raiturcar College of  
Commerce and Economics, Ponda Goa**

M.Com. Semester I

ISA 2 September 2023

**COM-521: Advance Corporate Accounting**

Time: 1 hour

Marks: 20

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- Instructions:
1. Total there are 4 Questions, each Question carries 10 marks.
  2. Answer any two.
  3. Read the Questions properly before beginning your answer.

Q.1. XYZ Ltd. gives the following information for the year ended 31st March 2023

Subsidies received from Government	2,73,925
Administrative, selling and distribution expenses	8,22,542
Directors' fees	1,34,780
Interest on debentures	31,240
Managerial remuneration	2,85,350
Depreciation on property plant and equipment	5,22,543
Provision for taxation	12,42,000
Transfer to general reserve	4,00,000
Transfer to investment revaluation reserve	12,500

- Depreciation on PPE as per schedule III of the companies Act, 2013 was Rs.5,75,345.
- You are required to calculate Maximum Managerial remuneration if there is only 1 whole time director and no non-executive directors as per companies Act, 2013

Q.no.2. From the following particulars, ascertain the amount that can be utilized to pay dividend according to the Companies dividend declaration rules.

- Paid up Capital = 10,00,000
- Free reserves = 2,00,000
- Capital reserve = 1,00,000
- Current FY losses = 10,000
- Average Dividend rate for last 3 financial year = 6%
- Company wants to declare a dividend of 15%

Q.3. Following items appear in the trial balance of ABC Ltd. (a listed company) as on 1<sup>st</sup> March 2023

40,000 Equity shares of Rs. 10 each	4,00,000
Securities Premium (Collected in cash)	80,000
Capital Redemption reserve	1,00,000
General reserve	1,05,000
Surplus i.e credit Balance of P & L a/c	50,000

The company decided to issue equity shareholders bonus shares at the rate of 1 share for every 4 shares held for Rs.20 each (Rs.10 being Premium) and for this purpose it was decided to utilize the following:

- I) Rs. 20,000 out of Securities Premium
- II) Capital Redemption reserve full extent
- III) Balance if any out of general reserve or P & L A/c.

Pass necessary journal Entries.

Q.no.4. Answer the following questions: -

1. Explain about the 3 activities in Amalgamation of companies with Example?
2. Explain about Net asset method and Net payment method?