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**BCMCMCN 401**

**Fourth Semester B.Com. Degree Examination, June/July 2024  
(NEP 2020) (2022 – 2023 Batch Onwards)  
ADVANCED CORPORATE ACCOUNTING (DSCC)**

Time : 2 Hours

Max. Marks : 60

**Instruction :** Answer *all* the Sections.

**SECTION – A**

Answer **any five** questions.

**(5×2=10)**

1. What do you mean by amalgamation of Companies ?
2. What is meant by Environmental Accounting ?
3. State the forms of internal reconstruction of companies.
4. Who is a Liquidator ?
5. List any two legal requirements for redemption of preference shares.
6. State any four objectives of Human Resource Accounting.
7. What do you mean by "Net Payment Method" of calculating purchase consideration ?
8. Mention any four GRI variables relating to environmental disclosure.



**SECTION – B**

Answer **any four** questions.

**(4×5=20)**

9. Who are preferential creditors ? Explain the conditions of preferential payments under Section 327.
10. What do you mean by Social Responsibility Accounting ? Explain the objectives of Social Responsibility Accounting.

**P.T.O.**



11. The Sun Risers Ltd. is having the following paid up share

- a) 2,000 preference shares of ₹ 100 each ₹ 2,00,000
- b) 4,000 equity shares of ₹ 100 each ₹ 4,00,000

The resolution was passed to reduce the capital as under

- a) Preference shares were reduced to ₹ 80 per share fully paid up.
- b) Equity shares were reduced to ₹ 50 per share fully paid up.

The balance in the Capital Reduction Account is used to write - off goodwill ₹ 18,000 and debit balance in Profit and Loss Account ₹ 1,50,000. Pass Journal Entries.

12. Following is the Balance Sheet of Pranamyia Limited as on 31<sup>st</sup> March 2023

<b>Equity &amp; Liabilities</b>	<b>Note No.</b>	<b>₹</b>
I) Shareholders Funds :		
a) Share Capital	1	
2000 shares of ₹ 100 each		2,00,000
b) Reserves and Surplus	2	
Reserves		20,000
II) Share application money pending on allotment	-	-
III) Non-Current Liabilities	3	
Debentures		1,40,000
IV) Current Liabilities	4	
Creditors		80,000
		<b>4,40,000</b>
 <b>Assets</b>		<b>₹</b>
I) Non-Current Assets	5	
Goodwill		35,000
Buildings		85,000
Plant		1,60,000
II) Current Assets	6	
Stock		55,000
Debtors		65,000
Cash		40,000
		<b>4,40,000</b>





The business was taken over by Pramodh on the following terms :

- 1) To take over all assets except cash at 10% less than book value.
- 2) Goodwill is valued at ₹ 37,500.
- 3) To take over trade liabilities subject to 5% discount.
- 4) Purchase price has to be paid in cash to the extent of ₹ 1,00,000 and the balance in fully paid equity shares of ₹ 10 valued at ₹ 12.50 per share.

Calculate Purchase Consideration and show Mode of Payment.

13. Weak Ltd. went into voluntary liquidation. Following was the position :

Preferential creditors ₹ 6,000

Unsecured creditors ₹ 1,40,000

Expenses of liquidation ₹ 5,000

Liquidators remuneration ₹ 6,000

Debenture having floating charges on Assets ₹ 2,00,000

Assets realised ₹ 3,00,000

Prepare Liquidators Final Statement of Account.



14. Castrol Limited has 5000, 7% redeemable preference shares of ₹ 100 each fully paid up. The company decided to redeem the shares on 31-3-2023 at a premium of 5%. For this purpose, the company issues 10,000 equity shares of Rs. 10 each at a premium of 10%. The company has required balance in Profit and Loss Account and the redemption was carried out. Give Journal Entries.



## SECTION – C

Answer **any two** questions.

(2×15=30)

15. Following is the Balance Sheet of Kiran Limited as on 31-3-2023.

<b>Equity and Liabilities</b>	<b>Note No.</b>	<b>₹</b>
I) Shareholders Funds :		
a) Share Capital	1	
6,500, 12% redeemable preference shares of ₹10 each		65,000
4,500 equity shares of ₹ 50 each		2,25,000
b) Reserves and Surplus	2	
Profit and Loss Account		48,000
II) Share application money pending on allotment	-	-
III) Non-Current Liabilities	3	-
IV) Current Liabilities	4	
Creditors		56,500
		<b>3,94,500</b>
		₹
<b>Assets</b>		
I) Non-Current Assets	5	
Fixed Assets		3,45,000
II) Current Assets	6	
Investments		18,500
Bank		31,000
		<b>3,94,500</b>

In order to redeem preference shares the company decided :

- a) To sell all its investments for ₹16,000
- b) To issue 650 equity shares of Rs. 50 each at a premium of ₹ 13 per share

The equity shares were fully subscribed and the preference shares were redeemed at a premium of 10%. Journalize the transactions and prepare Balance Sheet after redemption.



16. The following is the Balance Sheet of Raman Limited as on 31<sup>st</sup> March 2023.

<b>A. Equity and Liabilities</b>	<b>Note No.</b>	<b>Amount (₹)</b>
I) Shareholders Funds		
a) Share Capital	1	
4000, 6% Preference shares of ₹100 each		4,00,000
2000 Equity shares of ₹100 each, ₹ 75 paid up		1,50,000
6000 Equity shares of ₹100 each, ₹60 paid up		3,60,000
b) Reserves and Surplus	2	—
II) Share application money pending on allotment	—	—
III) Non-Current Liabilities		
5% debentures (having a floating charge on all assets)	3	2,00,000
Interest outstanding on debentures		10,000
IV) Current Liabilities	4	
Creditors (Due for income tax 10,000)		2,90,000
<b>Total</b>		<b>14,10,000</b>
<b>B. Assets</b>		₹
I) Non-Current Assets	5	
Land and Building		2,00,000
Plant and Machinery		5,00,000
Patents		80,000
II) Current Assets	6	
Stock		1,10,000
Debtors		2,20,000
Cash at Bank		60,000
Profit and Loss A/c		2,40,000
<b>Total</b>		<b>14,10,000</b>





On the above date the company went into voluntary liquidation. The dividends on preference shares were in arrears for two years. The arrears are payable on liquidation. Creditors include a loan of ₹ 1,00,000 on mortgage of land and buildings. The assets realized were as under :

Land and Building	2,40,000
Plant and Machinery	4,00,000
Patents	60,000
Stock	1,20,000
Debtors	1,60,000

The expenses of liquidation amounted to ₹ 21,800. The liquidator is entitled to a commission of 3% on all assets realized (except cash at bank) and 2% on amounts distributed among unsecured creditors including preferential creditors. Preferential creditors amount to ₹ 30,000. All payments were made on 30<sup>th</sup> September 2023.

Prepare the Liquidators Final Statement of Account.

17. Following is the Balance Sheet of Upset Company Limited as on 31-3-2022.

**Equity and Liabilities**

I) Shareholders funds

a) Share Capital :

6000, 5% Preference Shares of Rs. 100 each

12000 Equity Shares of ₹ 100 each

b) Reserves and Surplus

Profit and Loss Account (Dr.)

II) Share application money pending on allotment

III) Non-current liabilities

6% Debentures

IV) Current liabilities

Bank overdraft

Creditors

Note No.

₹

1

6,00,000

12,00,000

2

(7,00,000)

3

3,00,000

4

3,00,000

1,50,000

**18,50,000**





<b>Assets</b>		₹
I) Non-Current Assets	5	
Goodwill		45,000
Land and Building		6,00,000
Machinery		9,00,000
Preliminary expenses		20,000
II) Current Assets	6	
Stock		1,30,000
Debtors		1,40,000
Cash		15,000
		<b>18,50,000</b>



The company got the following scheme for reconstruction approved by the court :

- a) The preference shares are to be reduced to fully paid-up shares of ₹ 75 each and equity shares are to be reduced to shares of ₹ 40 each fully paid.
- b) The debenture holders took over stock and debtors in full satisfaction of their claims.
- c) Land and building to be appreciated by 30% and machinery to be depreciated by 20%
- d) The fictitious and intangible assets are to be eliminated.
- e) Reconstruction expenses incurred ₹ 9000.

Give journal entries incorporating the above scheme of reconstruction and prepare the Revised Balance Sheet.

18. Old Limited decided to sell its business to the Young Corporation Limited as on 31-3-2023. On that date its Balance Sheet was as follows :

<b>Equity and Liabilities</b>	<b>Note No.</b>	<b>₹</b>
I) Shareholders funds		
a) Share capital :	1	
4000 Equity shares of Rs. 10 each		40,000
b) Reserves and Surplus	2	
Reserve fund		10,000
Profit and Loss Account		4,000
II) Share application money pending on allotment		-



III) Non-current liabilities	3	
5 % mortgage debentures		20,000
IV) Current liabilities	4	
Creditors		6,000
		<b>80,000</b>
		₹
<b>Assets</b>		
I) Non-Current Assets	5	
Goodwill		8,000
Free hold property		33,000
II) Current Assets	6	
Stock		7,000
Debtors		8,000
Bills Receivable		4,000
Cash at bank		20,000
		<b>80,000</b>

The Young Corporation Limited agreed to take over the assets (excluding cash) at the amount stated in the Balance Sheet except goodwill for which the company agreed to pay ₹ 20,000 and discharge the liabilities to sundry creditors. The purchase price was to be discharged by the allotment of 2400 shares of ₹ 10 each at ₹ 12.50 per share and the balance in cash. The expenses of liquidation amounted to Rs. 600. Show the necessary ledger accounts in the books of Old Limited.

