Reg. No. | | | | | | | | | | | |

BCMCMCN 401

IV Semester B.Com. Degree Examination, June/July 2025
(NEP 2020) (2022-23 Batch Onwards)
ADVANCED CORPORATE ACCOUNTING

Time : 2 Hours Max. Marks : 60

***Note** : Provide working notes **wherever** necessary.*

SECTION – A

Answer **any five** of the following. **(5×2=10)**

1. What do you mean by Capital Redemption Reserve ?
2. What do you mean by purchase consideration as stated in Accounting Standard – 14 ?
3. How do you treat Employees Saving Bank Account balance of Vendor Company during absorption ?
4. What do you mean by consolidation of shares and sub-divison of shares ?
5. What is internal reconstruction ?
6. What do you mean by members voluntary winding up ?
7. What do you mean by secured creditors ?
8. What do you mean by Human Resource Accounting ?

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SECTION – B

(4×5=20)

Answer **any four** of the following.

9. What do you mean by redemption of Preference Shares ? What are the provisions of the Companies Act for the redemption of Preference Shares ?

10. The purchasing company agrees to issue three shares of ₹ 10 each for every four shares of ₹ 10 each of the vendor company. The total numbers of shares of the vendor company are 10,000. The market price of each share of the purchasing company is ₹ 15. Find out purchase consideration.

11. Bad Luck Ltd., went into voluntary liquidation. Following was the position.

    Preferential creditors ₹ 60,000,

    Unsecured creditors ₹ 9,00,000,

    Expenses of liquidation ₹ 35,000,

    Liquidator's remuneration ₹ 36,000,

    Debentures having floating charges on assets ₹ 20,00,000.

    Assets realised ₹ 30,00,000. Prepare the Liquidator's Final Statement.

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12. Distinguish between internal and external reconstruction of a company.

13. Explain the objectives of Indian Accounting Standards.

14. Write a short note on liquidator's remuneration for conducting the winding up proceedings.

SECTION – C

Answer **any two** of the following. **(2×15=30)**

15. The summarized balance of ABC Ltd., as on 31st March, 2024.

Particulars		₹
Equity and Liability :		
1) Shareholders Fund :		
a) Share Capital :	40,000 Preference Shares of ₹ 10 each fully paid	4,00,000
	20,000 Equity shares of ₹ 10 each fully paid	2,00,000
b) Reserves and Surplus :	Securities Premium Account	50,000
	Profit and Loss Account	2,80,000
2) Current liabilities :		
Trade payables		2,10,000
	Total	**11,40,000**

Particulars	₹
Assets :	
1) Non-current assets :	
a) Sundry assets	8,40,000
b) Non-current investments	Nil
2) Current Assets :	
Cash and Bank	3,00,000
Total	**11,40,000**

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As per the terms of issue of the Preference Shares, these were redeemable at a premium of 5% on 1st April, 2024 and for this purpose it issues 20,000 equity shares of ₹ 10 each, at a premium of 15%. The issue were fully subscribed and all the amounts are received, the preference shares were redeemed. Journalise the transaction and prepare the balance sheet after redemption.

16. The following are the Balance Sheets of Dhan Ltd. and Pal Ltd. as on 31-03-2024.

Particulars	**Dhan Ltd. (₹)**	**Pal Ltd. (₹)**
Equity and Liability :		
1) Shareholders Fund :		
a) Share Capital	6,00,000	3,00,000
b) Reserves and Surplus	1,20,000	1,00,000
2) Current Liabilities :		
Trade payables	1,30,000	1,00,000
Total	**8,50,000**	**5,00,000**

Particulars	**Dhan Ltd. (₹)**	**Pal Ltd. (₹)**
Assets :		
1) Non-current assets :		
a) Fixed assets	5,40,000	2,80,000
b) Non-current investments	20,000	–
2) Current Assets :		
Sundary Debtors	1,40,000	1,20,000
Stock	1,00,000	80,000
Bills receivable	30,000	8,000
Bank	20,000	12,000
Total	**8,50,000**	**5,00,000**

Both the companies decided to amalgamate and form Dhanpal Ltd. to take over the assets and liabilities of both the companies.

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The agreed value of assets and liabilities of Dhan Ltd. and Pal Ltd. taken over are as under :

Particulars	Dhan Ltd. (₹)	Pal Ltd. (₹)
Fixed assets	6,20,000	3,80,000
Non-current investments	20,000	–
Sundry Debtors	1,20,000	1,10,000
Stock	96,000	74,000
Bills receivable	26,000	6,000
Bank	20,000	12,000
Trade payables	1,02,000	82,000

Purchase consideration is to be satisfied by issue of Equity shares (₹ 10) at par. Show the calculation of purchase consideration payable to Dhan Ltd. and Pal Ltd. and prepare the Realisation Account and Shareholders Accounts in the books of Dhan Ltd. and Pal Ltd.

17. The Balance Sheet of Unhappy Ltd., at 31st December, 2024 was as follows :

Particulars		₹
Equity and Liability :		
1) Shareholders Fund :		
a) Share Capital :	30,000 8% Preference Shares of ₹ 10 each	3,00,000
	1,00,000 Equity shares of ₹ 5 each	5,00,000
b) Reserves and Surplus :	Statement of Profit and Loss (loss)	(1,75,000)
2) Non-current liabilities :	10% Mortgage Debentures	2,00,000
3) Current liabilities :		
Creditors		3,00,000
Total		**11,25,000**

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Particulars	₹
Assets :	
1) Non-current Assets :	
a) Goodwill at cost	2,00,000
b) Land	4,00,000
c) Plant and machinery	2,50,000
2) Current Assets :	
Tools	1,00,000
Stock in trade	1,00,000
Debtors	65,000
Cash	10,000
Total	**11,25,000**

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On this date, it was decided to reconstruct the company and the following scheme of reconstruction was agreed upon :

i) The creditors to accept 10% Debentures to the extent of half of their dues.

ii) The preference shares to be reduced to shares of ₹ 5 each.

iii) Equity shares to be reduced to shares of ₹ 1 each.

iv) The debit balance of Profit and Loss Account and goodwill to be written off.

v) Land to be reduced by ₹ 79,000, Plant and Machinery by ₹ 40,000 and Tools by ₹ 48,000.

vi) R.B.D. to the extent of ₹ 8,000 is to be created.

Give Journal Entries and prepare the Constructed Balance Sheet.

18. The Hopeless Co. Ltd. went into voluntary liquidation on 1st January, 2024. The liquidator, whose remuneration is 3% on realisation of assets realised and 2% on the amount paid to shareholders. The following was the position of the company on 31st December, 2023.

Cash on realisation of assets ₹ 5,00,000

Expenses of Liquidation ₹ 9,000

Unsecured creditors (including preferential ₹ 6,000) ₹ 68,000.

5,000, 6% preference shares of ₹ 30 each (dividend paid up to 31st December, 2022)

10,000 equity shares of ₹ 10 each, ₹ 9 per share called and paid up.

Under the Articles of Association of the company the preference shareholders have the right to receive one-third of the surplus remaining after repaying the equity share capital. You are required to prepare Liquidator's Final Statement of Account.

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