D 122446   (Pages : 5)   Name.....................................

Reg. No................................

SECOND SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY) EXAMINATION, APRIL 2025

(CBCSS)

M.Com.

MCM 2C06—ADVANCED CORPORATE ACCOUNTING

(2019 Admission onwards)

Time : Three Hours   Maximum : 30 Weightage

Part A

Answer any **four** *questions.*

Each question carries 2 weightage.

1. Who is Contributory ?

2. What do you mean by Reciprocal Holding ?

3. What is Deferred Tax ?

4. Explain Ex interest and Cum interest Quotations.

5. What do you mean by Inflation Accounting ?

6. What is Deficiency Account ?

7. What is Cost of Control?

$(4 \times 2 = 8$ weightage)

Part B

Answer any **four** *questions.*

Each question carries 3 weightage.

8. How would do you deal with revaluation of assets and liabilities of subsidiary while preparing Consolidated Balance Sheet ?

Turn over

9. X Ltd. decided to sell its business to Z Ltd. On which date the Balance -Sheet of X Ltd. was as follows :

Equity and Liabilities	Rs.
Share Capital	5,00,000
5000 Equity shares of Rs. 10 each	1,00,000
14 % debentures	1,50,000
Creditors	90,000
Reserves	8,40,000

Assets	Rs.
Good will	60,000
Property	1,50,000
Plant	2,10,000
Stock	3,50,000
Cash	70,000
	8,40,000

Z Ltd. took over all assets except cash at their book value, goodwill at Rs. 1,00,000 and property at Rs. 1,80,000. Z Ltd. agreed to pay Rs. 90,000 in cash and balance in the form of fully paid equity shares at Rs.100. Expenses of liquidation were Rs. 15,000.

Show ledger accounts in the books of X Ltd. and Journal entries in the books of Z Ltd.

10. Rose Ltd. went into liquidation with the following liabilities.

Secured Creditors   Rs. 40,000

           (Securities realised Rs. 50,000)

Preferential Creditors   Rs. 1,200

Unsecured Creditors   Rs. 61,000

liquidation Expenses   Rs.   500

The liquidator is entitled to a remuneration of 3 % on amount realised (including securities in the hands of secured creditors) and 1.5 % on the amount distributed to unsecured creditors. The various assets (excluding the securities in the hands of secured creditors) realised Rs. 52,000. Prepare the liquidator's final statement of account showing the payment made to unsecured creditors.

11. B and P Ltd. availed a lease from NS Ltd. :

The conditions of the lease terms are as follows :

   (a) Lease period is three years in the beginning of the year 2018, for equipment costing Rs. 10,00,000 and has as expected useful life of five years.

   (b) The fair market value is Rs. 10,00,000.

   (c) The property reverts back to the lessor on termination of lease.

   (d) Three equal annual payments are made at the end of each year (consider IRR, 10 %)

The present value of Re. 1 due at the end of third year at 10 percent rate of dividend is Rs. 0.7513. The present value of annuity of Re. 1 at the end of year at 10 percent IRR is Rs. 2.4868.

State whether the lease constitute financial lease and also calculate unearned finance income.

12. Explain the major challenges in the successful implementation of forensic accounting in India.

13. Explain the important approaches used for valuation of Human Resource Accounting.

14. Give briefly the key advantages of CSR for the corporate sector.

                                                                 (4 × 3 = 12 weightage)

Part C

Answer any **two** *questions.*
Each question carries 5 *weightage.*

15. The ledger balances of X Co. as on 31st March 2021 are :

Fixed Assets Rs. 7,00,000 , Investment Rs. 10,000, Stock and Debtors Rs. 8,50,000, Equity share capital (60 % Paid) Rs. 6,00,000, 10 % first debentures Rs. 2,00,000 12 % second debentures Rs. 5,00,000, Bank Overdraft Rs. 50,000, Trade Creditors (including Y for Rs. 8,50,000) Rs. 11,50,000. Outstanding interest for one year on both types of debentures Rs. 80,000.

Due to heavy losses, the following reconstruction is agreed.

                                                                        Turn over

(a) To make the existing Rs.100 equity shares fully paid up and then to reduce them to Rs. 20 each.

(b) To settle the claims of first debenture holders by issuing 2,000 13.5 % debentures of Rs. 100 each.

(c) To discharge the claims of the second debenture holders by issuing 15 % 4,000 debentures of Rs. 100 each.

(d) To pay Rs. 3,00,000 to Mr. Y in full settlement of his account.

(e) To allot 15,000 fresh equity shares of Rs. 20 each to discharge the remaining trade creditors.

(f) Market value of investment is Rs. 20,000

(g) To write off the fictitious assets and to reduce the fixed assets.

Assuming all formalities are duly complied with, pass journal entries to give effect to the above scheme and prepare the post reconstruction Balance Sheet.

16. H Ltd. acquired 12000 equity shares in S Ltd. on 1.4.2015. The summarised Balance Sheets of H Ltd and subsidiary S Ltd. as on 31st March 2016 are as follows :

Equity and Liabilities	H Ltd (Rs.)	S Ltd (Rs.)
Preference Share capital	1,00,000	—
Equity share capital (Rs. 10 fully paid)	5,00,000	1,50,000
General Reserve	3,40,000	6,000
Surplus	3,60,000	1,08,000
Creditors	2,00,000	61,850
Bills payable		24,150
Total	15,00,000	3,50,000
Assets		
Land	3,56,000	70,000
Properties	3,76,000	40,000
Plant and Machinery	1,40,000	91,300
Investment in S Ltd.	1,80,000	—
Stock	1,36,000	50,600
Debtors and cash	3,12,000	98,100
Total	15,00,000	3,50,000

The other information given are :

   (a)   On 1.4.2015 Surplus of S Ltd. stood at Rs. 77,500 and General Reserve at Rs. 3,000. Also H Ltd revalued plant and machinery of S Ltd. at the time of purchase of shares by Rs. 20,000 more than its book value (Ignore depreciation)

   (b)   Stock of H Ltd. includes Rs. 8,000 of stock purchased from S Ltd. Further debtors of S Ltd. include Rs. 24,000 for sale to H Ltd, made a profit of Rs. 6,000

   (c)   S Ltd. made a bonus issue during the year out of pre acquisition profits for Rs. 60,000 not recorded the books.

You are required to prepare Consolidated Balance Sheet of H Ltd. and its subsidiary S Ltd. as on 31.3.2016

17.   Give a proforma of Statement of Affairs and the Deficiency /Surplus account with imaginary figures which complies with the requirements of the companies Act 2013.

18.   Define leasing. Explain the different types of leases.

<div align="right">(2 × 5 = 10 weightage)</div>