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IV Semester B.Com. Examination, May 2017
(2013-14 and Onwards) (Repeaters)
COMMERCE
Paper – 4.3 : Advanced Corporate Accounting

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Time : 3 Hours Max. Marks : 100

Instruction : *Answer should be written completely either in* ***English*** *or* ***Kannada.***

SECTION – A

Answer **any ten** of the following. **Each** question carries **two** marks. **(10×2=20)**

1. a) What is meant by purchase consideration ?
   b) What is meant by net assets method ?
   c) State the two forms of internal reconstruction.
   d) Give the meaning of voluntary liquidation of a company.
   e) Mention the method of winding up of a company.
   f) What is capital reserve ?
   g) What is capital profit ?
   h) Give the meaning of Holding company ?
   i) Define subsidiary company.
   j) Give the meaning of intangible assets.
   k) What is Human Resources Accounting ?
   l) What do you mean by unrealised profit ?

SECTION – B

Answer **any four** questions. **Each** question carries **eight** marks. **(4×8=32)**

2. Explain the various "cost based method" of valuing human resources.

3. Calculate purchase consideration and pass opening entries in the books of purchasing company.

   Total assets at book value ₹ 11,00,000

   Assets taken at agreed value ₹ 9,50,000

   Total liabilities ₹ 5,00,000

   Liabilities not taken over ₹ 2,00,000

   Purchase consideration to be discharged in equity shares of ₹ 10 each.

P.T.O.

4. The following is the Balance Sheet of Ashoka Ltd. as on 31-3-2016.

Liabilities	Amount	Assets	Amount
	₹		₹
Share Capital		Lease hold premises	1,30,800
Authorised capital		Plant and machinery	42,200
10000 preference		Patents at cost	8,50,000
shares of ₹ 100 each	10,00,000	S. Debtors	76,500
10000 equity shares		Stock in trade	55,000
of ₹ 100 each	10,00,000	Cash in hand	500
	20,00,000	Discount on issue of shares	18,000
Subscribed cap.		Preliminary Exp.	12,000
7500 preference shares of		P and L A/c	1,15,000
₹ 100 each fully paid	7,50,000		
5,000 equity shares of			
₹ 100 each fully paid	5,00,000		
S. Creditors	30,000		
Bank overdraft	20,000		
	13,00,000		**13,00,000**

The company suffered heavy losses and was not getting on well. The following scheme of reconstruction was adopted.

a) The pref. shares of ₹ 100 were to be reduced to an equal number of fully paid shares of ₹ 50 each.

b) The equity shares to be reduced to an equal number of shares of ₹ 25 each.

c) The amount so made available be used to write off ₹ 30,800 of the lease hold premised, ₹ 15,000 off stock, 20% of plant and machinery and sundry debtor, and the balance available off patents.

Journalise the transactions in the books of Ashoka Ltd.

5. From the following details prepare liquidator final statement of account.

Assets

Land and Buildings	₹ 3,00,000
Plant and Machinery	₹ 1,80,000
Furniture	₹ 60,000
Stock and Debtors	₹ 40,000
Cash	₹ 5,000

Liabilities

Debentures	₹ 4,00,000
Creditors	₹ 2,30,000

The assets, other than Land and Buildings realised at 10% less. Land and Buildings realised 25% more.

Liquidation expenses ₹ 2,500

Liquidators remuneration is 2% on assets realised (except cash) and 3% on amount distributed to unsecured creditors.

6. A Ltd. acquired 80% of the shares of B Ltd. on 31-3-2016, on this date, the Profit and Loss A/c of B Ltd. Showed a credit balance of ₹ 20,000 from the Balance Sheet given below, prepare the consolidated Balance Sheet.

Liabilities	**A Ltd.**	**B Ltd.**	**Assets**	**A Ltd.**	**B Ltd.**
	₹	₹		₹	₹
Share cap.			Sundry Assets	8,00,000	7,20,000
(₹ 10 per share)	10,00,000	6,00,000	Investment		
P and L A/c	2,00,000	20,000	'B' Ltd. at cost	4,80,000	–
Creditors	2,00,000	1,80,000	Debtors	1,20,000	80,000
	14,00,000	**8,00,000**		**14,00,000**	**8,00,000**

SECTION – C

Answer **any three** questions. **Each** question carries **sixteen** marks. **(3×16=48)**

7. Vivek Ltd. and Monish Ltd. carrying on similar business decided to amalgamate and a new company Vikram Ltd. is to be formed to take over the assets and liabilities of both the companies and it is agreed that fully paid equity shares of ₹ 100 each shall be issued by the new company to the value of net assets of each of the old companies.

Balance Sheet as on 31-3-2016

Liabilities	**Amount**		**Assets**	**Amount**	
Share cap.	Vivek	Monish		Vivek	Monish
	₹	₹		₹	₹
Equity shares of ₹ 50 each	1,00,000	80,000	Goodwill	10,000	4,000
General Reserve	40,000	–	Land and		
P and L A/c	6,000	–	Building	34,000	20,000
Creditors	8,000	16,000	Plant and		
B/P	8,000	–	Machinery	48,000	32,000
Bank overdraft	–	16,000	Furniture	10,000	15,000
			Stock	20,000	15,000
			Cash	16,000	600
			Debtors	24,000	14,000
			P and L A/C	–	11,400
	1,62,000	**1,12,000**		**1,62,000**	**1,12,000**

All tangible assets are taken over at book value and Goodwill of Vivek Ltd. is to be valued @ ₹ 24,000 while that of Monish is valueless.

Prepare necessary Ledger Account in the books of Vivek Ltd. and Monish Ltd.

8. The Balance Sheet of A Co. Ltd. stood as follows :

Liabilities	Amount ₹	Assets	Amount ₹
38000 shares of ₹ 100 each	38,00,000	Land and Buildings	2,00,000
Debentures	2,00,000	Machinery	5,20,000
Creditors	2,00,000	Furniture	40,000
		Stock	7,40,000
		Debtors	3,60,000
		Goodwill	4,00,000
		P and L A/C	19,40,000
	42,00,000		**42,00,000**

The company is to be reconstructed as follows :

a) The shares of ₹ 100 each are to be reduced to an equal number of fully paid shares of ₹ 40 each.

b) To issue 2000 new shares of ₹ 40 each of fully paid up to debenture holders in full settlement.

c) The amount available is to be utilised in writing off the Goodwill and P and L A/c and balance in writing down the value machinery.

d) The authorised capital of the company is 40,000 shares of ₹ 100 each.

Give Journal entries, prepare Capital Reduction Account and Reconstructed Balance Sheet.

9. The B/S of Nagini Fabrication Co. Ltd. as on 31-3-2016 was as follows :

Liabilities	Amount ₹	Assets	Amount ₹
Paid up cap.			
4,000 6% pref. shares		Land and Buildings	8,00,000
of ₹ 100 each	4,00,000	Plant and Machinery	8,80,000
8000 Equity shares of		Stock	4,00,000
₹ 100 each fully paid	8,00,000	S. Debtors	4,00,000

12000 Equity shares of		Cash at Bank	1,20,000
₹ 100 each, ₹ 50 paid	6,00,000	P and L A/c	4,00,000
6% Debentures			
(Floating charges on			
all assets)	4,00,000		
Mortgage on Land			
and Buildings	4,00,000		
S. Creditors	3,60,000		
Income Tax provision	40,000		
	30,00,000		**30,00,000**

The company went into liquidation on 1-4-2016. The preference dividends were in arrears for 3 years.

The arrears are payable on liquidation.

The assets were realised as follows.

	₹
Land and Buildings	9,60,000
Plant and Machinery	7,20,000
Stock	2,80,000
Debtors	2,40,000
Expenses of Liquidation	32,000

The Liquidator is entitled to a commission of 2% on all assets realised and 3% on the amount distributed to unsecured creditors (including preferential creditors) :

All the payment made on 30th September 2016.

Prepare liquidators final statement of account.

10. From the following Balance Sheet of X Ltd. and its subsidiary 'Y' Ltd. Prepare the consolidated B/S as on 31-12-2016.

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
	₹	₹		₹	₹
Share capital			Goodwill	–	5,000
Shares of ₹ 5 each	2,50,000	50,000	Buildings	50,000	17,500
General Reserve	25,000	10,000	Machinery	1,50,000	30,000
P and L A/C	12,500	16,000	Shares in		
Creditors	22,500	6,000	Y Ltd.	42,500	
B/P	15,000	3,000	Stock	50,000	15,000
			Debtors	30,000	6,000
			B/R	–	9,000
			Cash in hand	2,500	2,500
	3,25,000	**85,000**		**3,25,000**	**85,000**

The 'X' Ltd. purchased 7500 shares of 'Y' Ltd. on 1-7-2016. The balance to the general reserves and P and L A/c of 'Y' Ltd. stood at ₹ 6,000 and ₹ 4,000 respectively on 1-1-2016. The B/R of 'Y' Ltd. ₹ 9,000 is accepted by 'X' Ltd. The debtors of 'Y' Ltd. ₹ 2,000 due from 'X' Ltd.

ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ – ಎ

ಯಾವುದಾದರೂ **ಹತ್ತು** ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. **ಪ್ರತಿ** ಪ್ರಶ್ನೆಗೆ **ಎರಡು** ಅಂಕಗಳು. **(10×2=20)**

1. a) ಖರೀದಿ ಬೆಲೆ ಎಂದರೇನು ?
   b) ನಿವ್ವಳ ಆಸ್ತಿಗಳ ವಿಧಾನ ಎಂದರೇನು ?
   c) ಆಂತರಿಕ ಪುನರ್ ರಚನೆಯ ಎರಡು ವಿಧಗಳನ್ನು ತಿಳಿಸಿ.
   d) ಕಂಪನಿಯ ಸ್ವ-ಇಚ್ಛಾ ವಿಸರ್ಜನೆಯ ಅರ್ಥವನ್ನು ಕೊಡಿ.
   e) ಕಂಪನಿಯ ವಿಸರ್ಜನೆಯ ವಿಧಾನಗಳನ್ನು ತಿಳಿಸಿ.
   f) ಬಂಡವಾಳ ಮೀಸಲು ಎಂದರೇನು ?