



NP – 374

30  
IV Semester B.Com. (TTM) Examination, July/August 2024  
(NEP Scheme)

**TOURISM AND TRAVEL MANAGEMENT**

**Paper – 4.1 : Advanced Corporate Accounting**

Time : 2½ Hours

Max. Marks : 60

**Instruction : Answer all questions in English only.**

SECTION – A

I. Answer **any six** of the following. **Each** question carries **2** marks. (6×2=12)

- 1) a) Who is a liquidator ?
- b) What is meant by redemption of preference shares ?
- c) List out any four divisible profits.
- d) Give the meaning of environmental accounting.
- e) Name the two objectives of amalgamation of companies.
- f) State two types of internal reconstruction.
- g) Define inflation accounting.
- h) Mention two benefits of HR accounting.



SECTION – B

II. Answer **any three** of the following. **Each** question carries **4** marks. (3×4=12)

2) ABC Ltd. is taken over by XYZ Ltd. on the following terms :

The assets and liabilities of XYZ Ltd. shall be valued at ₹ 30,00,000 and ₹ 10,00,000 respectively. ₹ 5,000 shall be paid in cash and the balance of consideration shall be discharged by issue of shares of ₹ 10 each at a premium of 50%. Calculate purchase consideration.

3) On the reconstruction of a company, the following terms were agreed upon :

The shareholders to receive in lieu of their present holding (viz, 50,000 shares of ₹ 10 each) the following :

- a) Fully paid equity shares equal to  $\frac{2}{5}$ <sup>th</sup> of their holdings.
- b) 5% preference shares fully paid, to the extent of  $\frac{1}{5}$ <sup>th</sup> of the above new equity shares.

P.T.O.



- c) ₹ 60,000, 6% second debentures.

An issue of ₹ 50,000 and 5% first debentures were made and allotted payment for the same having been received in cash.

The goodwill, which stood at ₹ 3,00,000 was written down to ₹ 1,50,000

The plant and machinery, which stood at ₹ 1,00,000 were written down to ₹ 75,000.

The freehold and leasehold premises, which stood at ₹ 1,50,000 were written down to 1,25,000.

Make the journal entries in the books of the company.

- 4) Define HR Accounting. Explain the need for HR Accounting.
- 5) Calculate liquidator remuneration and also state the amount paid to unsecured creditors.
  - a) Balance of cash after paying preferential creditors ₹ 8,20,000
  - b) Other unsecured creditors ₹ 9,56,000
  - c) Liquidator's remuneration is 3% on the amount paid to other unsecured creditors.
- 6) Malnad Co. Ltd. redeemed its 5,000 preference shares of ₹ 100 each at a premium of 5% though the company had sufficient balance in the reserve fund, the company decided to make fresh issue of 3,000 equity shares of ₹ 100 each at a premium of 20% for this purpose.  
You are required to pass necessary journal entries.

### SECTION – C

III. Answer **any three** of the following. **Each** question carries **12** marks. **(3×12=36)**

- 7) Maggie Company Ltd. went into liquidation on 31-03-2023. The liquidators whose remuneration is 3% on all assets realised and 2% on amount distributed to shareholders.

- i) Realised all assets for ₹ 10,00,000
- ii) Expenses on liquidation ₹ 18,000
- iii) Creditors ₹ 1,36,000 (including salary and wages outstanding ₹ 12,000)
- iv) 10,000, 6% preference shares of ₹ 30 each, ₹ 3,00,000 (dividend paid up to 31-03-2022)
- v) 20,000 equity shares of ₹ 10 each, ₹ 9 per share called and paid up ₹ 1,80,000
- vi) General reserve ₹ 2,40,000
- vii) Profit and loss account ₹ 40,000

Under articles of association of the company, the preference shares have the right to receive 1/3 of the surplus after repaying the equity share capital.

Prepare liquidators final statement of account.





8) Answer the following sub-questions.

a) The paid-up capital of Mangalore Company Ltd. is ₹ 5,00,000 and it includes 2,000, 5% cumulative preference shares of ₹ 100 each and 30,000 equity shares of ₹ 10 each. Because of heavy losses, the company has decided to reduce the burden of its capital and has secured the required permission.

i) Reduction in the value of patents by ₹ 70,000, machinery by ₹ 17,000 and equipment by ₹ 2,000.

ii) Cancellation of the balance of loss of ₹ 1,98,000 shown on the profit and loss account.

iii) Writing down the balance of research expenditure account by using the balance remaining in the capital reduction account (the research expenditure is shown in the Balance Sheet as ₹ 79,000)

The approved scheme of capital reduction is as follows :

a) In exchange for every five 5% preference shares, issue of three 4% preference shares of ₹ 100 each and 20 ordinary shares of ₹ 2 each.

b) Issue of one equity share of ₹ 2 each in payment of arrears of preference shares dividend of ₹ 10 (the total arrears of preference dividend is ₹ 30,000. The dividend has not yet been declared)

c) Issue of one new equity share of ₹ 2 each in exchange for every five old ordinary shares.

Draft suitable journal entries.

b) Write a note on cloud based accounting.

9) The following is the summarised Balance Sheet of Suma Ltd. as on 31-03-2024.

Liabilities	Amount	Assets	Amount
10% redeemable preference shares of ₹ 10 each	1,00,000	Sundry Assets	8,10,000
(-) calls in arrears	1,000	Cash at bank	10,000
50,000 equity share of ₹ 10 each fully paid	5,00,000	Investments	80,000
General reserve	1,00,000		
Capital reserve	50,000		
Creditors	1,51,000		
	<b>9,00,000</b>		<b>9,00,000</b>

For the purpose of redemption of preference share the company made a fresh issue of 4,500 equity shares of ₹ 10 each at a premium of 10%. The issue was taken up and paid for in full. The money on calls-in-arrears was duly received in full. The investment were sold for ₹ 75,000. The preference shares were redeemed at a premium of 10%.

Write journal entries and prepare Balance Sheet after redemption.



10) Given below is the Balance Sheet of Successful Limited as on 31-03-2024.

Liabilities	Amount	Assets	Amount
5,000, 8% pref. shares of ₹ 10 each	50,000	Goodwill	1,00,000
5,000, equity shares of ₹ 10 each	50,000	Buildings	4,000
Creditors	18,000	Plant	5,000
Bank overdraft	20,000	Debtors	1,200
		Stock	22,000
		Preliminary exp.	3,000
		P & L a/c	2,500
		Cash	300
	<b>1,38,000</b>		<b>1,38,000</b>

The following scheme of reconstruction was adopted.

- 1) ₹ 10 preference shares were to be reduced to an equal number of fully paid shares of ₹ 8 each.
- 2) ₹ 10 equity shares were to be reduced to an equal number of fully paid shares of ₹ 5 each.
- 3) Creditors agreed to forego ₹ 8,000.
- 4) The amount thus available was to be utilised to the nominal assets and the balance if any, to be written off goodwill.

Pass necessary journal entries and prepare reconstruction balance sheet.

11) On 31-03-2024 the Balance Sheet of Madhu Ltd. was as follows :

Liabilities	Amount	Assets	Amount
12,500 equity shares of ₹ 10 each	1,25,000	Goodwill	6,250
General reserve	62,500	Other fixed assets	43,750
Current liabilities	37,500	Bank	12,500
	<b>2,25,000</b>	Other current assets	1,62,500
			<b>2,25,000</b>

Madhu Ltd. is absorbed by Sathish Ltd. on following terms :

- a) Sathish Ltd. taken over the assets except bank balance and the liabilities at 10% less than the book value.
- b) The consideration is to be discharged by Sathish Ltd. in the form of equity shares of ₹ 10 each at a premium of ₹ 2.50 per share.

Show ledger accounts in the books of Madhu Ltd. and give the journal entries in the books of Sathish Ltd.