C 63108 **(Pages 4)** **Name**

Reg. No. . . . .

SECOND SEMESTER M.Com. DEGREE EXAMINATION, JUNE 2019

(CUCSS)

M.Com.

MC 2C 7—ADVANCED CORPORATE ACCOUNTING

(2015 Admissions)

Time : Three Hours Maximum 36 Weightage

Part A

Answer **all** *questions.*
Each question carries 1 weightage.

1. Define Accounting Standards.
2. Who is Receiver ?
3. What do you mean by "Reciprocal Holding" ?
4. What is Bonus Share ?
5. What is "External Reconstruction" ?
6. What is Crop Account ?

(6 x 1 = 6 weightage)

Part B

Answer any **six** *questions.*
Each question carries 3 *weightage.*

7. Explain the term "Preferential Creditors".
8. What is IFRS ? Give objectives behind IFRS.
9. Explain the accounting treatment of Capital Profit, Revenue Profit, Cost of control and Goodwill in Holding Companies.
10. Explain the objectives of Farm Accounting.
11. From the following details make up 'Cattle Account' in the books of Feeders' Ranch Ltd. :

	No.	Value
Cattle (Opening Value of livestock)	100	3,00,000
Cattle food (Opening Stock)		30,000
Purchases of cattle food		1,35,000
Purchase of cattle (during the year)	200	5,85,000
Sale of Cattle (during the year)	150	5,62,500
Sales of Slaughtered Cattle	40	1,80,000
Sales of carcasses	5	750
Cattle (closing value of livestock)	**115**	5,85,000
Cattle food (closing stock)		37,500

Turn over

Out of claves born during the year 4 died and the carcasses of the calves did not realise anything. Crop worth Rs. 22,500 grown in the farm was used for feeding, Rs. 15,000 is estimated to be wages for rearing etc. Slaughter house expenses amounted to Rs. 22,500 charge depreciation Rs. 7,500 and insurance 3,750.

12. The over confident Ltd. went into liquidation with the following liabilities :

(a) Secured creditors Rs. 20,000 (securities realised Rs. 25,000).

(b) Preferential creditors Rs. 600.

(c) Unsecured creditors Rs. 30,500.

Liquidator's expenses in connection with liquidation amounted to Rs. 252. The liquidator is entitled to a remuneration of 3 % on every amount realised and $1^1/_2$ percent on amount distributed to unsecured creditors except preferential creditors. The various assets (excluding securities in the hands of fully secured creditors) realised 26,000.

Prepare Liquidation Account.

13. H Company held shares in X company which it bought for Its. 10,000 in 2001 when index of general level of prices stood at Rs. 110. At the end of 2004 the market price of shares was Rs. 8,000 and the index was 132. At the end of 2005 the market price of the shares was Rs. 9,000 and the index was 145.2.

(a) Calculate CPP value of shares at the end of 2004 and 2005.

(b) Under CPP accounting what gain or loss would be shown in respect of shares.

(c) What, infact, was the gain or loss in purchasing power in respect of the shares during 2005 ?

14. H Ltd. acquired 80 % of the shares of S Ltd. on 31st March 2017, on which date the Balance Sheets of H Ltd. and S Ltd. appear as follows. Prepare a consolidated Balance Sheet as on 31st March 2017 :

Balance Sheet as on 31st March 2017

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)	*Assets*	H Ltd. (Rs.)	S Ltd. (Rs.)
Share capital			Stock ...	4,00,000	2,00,000
(shares Rs. 10 each) ...	4,00,000	2,00,000	Debtors ...	2,00,000	1,60,000
General Reserve	80,000	40,000	Cash and bank ...	40,000	40,000
P & L Account	1,20,000	60,000	Investment		
Sundry Creditors	3,00,000	1,00,000	(16000 shares of S Ltd.) ...	2,60,000	
	9,00,000	4,00,000		9,00,000	4,00,000

(6 x 3 = 18 weightage)

Part C

Answer any two *questions.*
Each question carries 6 *weightage.*

15. From the ledger balance as at 31st March 2012 and information given below, prepare Consolidated Balance Sheet :

Credit Balances	H Ltd. (Rs.)	S Ltd. (Rs.)	*Debit Balances*	H Ltd. (Rs.)	S Ltd. (Rs.)
Share capital			Sundry assets	8,00,000	1,20,000
(Rs. 10 fully paid)	1,00,000	2,00,000	Stock	6,10,000	2,40,000
Surplus Account	4,00,000	1,20,000	Debtors	1,30,000	1,70,000
Reserve	1,00,000	60,000	Bills Receivable	10,000	
Creditors	2,00,000	1,20,000	Shares in S Ltd.		
Bills payable		30,000	15,000 at cost ...	1,50,000	
	17,00,000	5,30,000		17,00,000	5,30,000

Adjustments :

(a) All the profit of S Ltd. has been earned since the shares were acquired by *H* Ltd , but there was already reserve of Rs. 60,000 at that date.

(b) The bill accepted by S Ltd. Rs. 10,000 are in favour of H Ltd.

(c) Sundry assets of S Ltd. are undervalued by Rs. 20,000.

(d) The stock of H Ltd. includes Rs. 50,000 bought from S Ltd. at a profit to the later of 25% on cost.

16. Liabilities and Assets of Jay Ltd. and Ray Ltd. as on 31.03.2012 are as follows :

Liabilities	Jay Ltd. (Rs.)	Ray Ltd. (Rs.)	*Assets*	Jay Ltd. (Rs.)	Ray Ltd. (Rs.)
Equity share capital			Fixed assets ...	8,00,000	6,00,000
(Rs. 10 each)	5,00,000	4,00,000	Investment		
6 % preference share			(5000 shares of Ray Ltd) ...	60,000	
Capital (Rs. 100)	5,00,000	1,00,000	Current Assets	5,00,000	2,00,000
Reserve	1,40,000	1,00,000	Loan to Ray Ltd.	30,000	
7 % Debentures		1,00,000			
Loan from Jay		30,000			
Other Liabilities ...	2,50,000	70,000			
	13,90,000	8,00,000		13,90,000	8,00,000

Jay Ltd. decides to amalgamate in the nature of purchase Ray Ltd. on the following terms :

(a) Jay Ltd. will issue 7 equity shares of Rs. 10 each at a premium of 20 % and Rs. 5 for every five equity shares of Ray Ltd. surrendered.

(b) Preference shareholders of Ray Ltd. are to be given one 6 % preference shares in Jay Ltd. for every share held. These shares are to be issued at a premium of 5 %.

(c) Liquidation expenses are to be paid by Jay Ltd. amounting to Rs. 10,000.

(d) Jay Ltd, revaluates fixed assets of Ray Ltd. at Rs. 8,00,000 on takeover.

Close the books of Ray Ltd. and pass journal entries in the books of Jay Ltd.

17. Express the different IFR standards.

(2 x 6 = 12 weightage)