

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer any TEN questions.

1. What is meant by super profit?
2. Define share capital.
3. What is amalgamation of companies?
4. What is purchase consideration?
5. What is cost of control?
6. How do you treat revenue profit?
7. What is statement of affairs in liquidation?
8. What is liquidation of company?
9. What is principles of accounting?
10. What do you mean by IRFS?
11. What is "Under subscription"?
12. What is subsidiary company?

J
M.Com - Advanced
Accounting

Corporate Accounting and.
standards.

13. ABC Ltd. issued 5000 10% debentures of ₹ 100 each payable as Rs. 40 on application and ₹ 60 on allotment. Applications were received for 6000 debentures. Applicants for 500 debentures were sent letter of regret and money was returned. Allotment was made proportionately to the remaining applicants. Over subscription was applied to the amount due on allotment. All money was duly received. Make journal entries for the above transactions in the books of the company.

14. State the differences between internal and external reconstruction.

15. The following is the balance sheet of S Ltd. as on 31st March 2010

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed assets	2,90,000
Equity shares		Investment	2,75,000
of Rs. 10 each	2,70,000	Current assets	1,30,000
General reserve	3,60,000	Preliminary	
Current		expenses	20,000
liabilities	85,000		
	<u>7,15,000</u>		<u>7,15,000</u>
			2

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16. H Ltd. acquired 25000 shares in S Ltd. on 31st March 2010 at a cost of Rs. 2,75,000 fixed assets were revalued at Rs. 3,28,000. Find minority interest.

A liquidator is entitled to receive remuneration @ 3% of the assets realised and 2% on the amount distributed among the unsecured creditors. The assets realised Rs. 84,00,000 against which payment was made as under :

Cost of liquidation Rs. 60,000 Preferential creditors Rs. 1,80,000. Secured creditors Rs. 48,00,000 and unsecured creditors Rs. 36,00,000

Calculate the liquidator's remuneration.

17. Bring out the advantages of accounting standards.

18. From the following balance sheet of X Ltd. You are asked to ascertain the value of equity share of the company :

Liabilities	₹	Assets	₹
20000 equity		Goodwill	30,000
shares of Rs. 10		Land and building	1,00,000
each fully paid	2,00,000	Plant	1,20,000
1000 6% preference		Investment	
shares of Rs. 100		(at cost)	60,000
each fully paid	1,00,000	Stock	50,000
Reserves	60,000	Debtors	40,000

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19. A company has equity share capital of ₹ 10,00,000 consisting 10000 shares of ₹ 100 each. It is resolved
 - (a) To subdivide the shares into shares of ₹ 10 each
 - (b) To ask their shareholders to surrender 50% their shares
 - (c) To issue 60% of the surrendered shares to 15% debenture holders of ₹ 4,00,000 in full settlement of their claims
 - (d) To cancel the unissued surrendered shares
 Give entries in the books of the company.

Liabilities	₹	Assets	₹
Sundry creditors	40,000	Cash at bank	24,000
Provision for		Preliminary	
taxation	20,000	expenses	6,000
Other liabilities	10,000		
	<u>4,30,000</u>		<u>4,30,000</u>

For the purpose of valuing of the company, the assets were revalued as :

Goodwill Rs. 50,000; Land and building at cost plus 50%, plant Rs. 1,00,00; Investments at book values : Stock Rs. 80,000 and Debtors at book value, less 10%.

19. A company has equity share capital of ₹ 10,00,000 consisting 10000 shares of ₹ 100 each. It is resolved

- (a) To subdivide the shares into shares of ₹ 10 each
 - (b) To ask their shareholders to surrender 50% their shares
 - (c) To issue 60% of the surrendered shares to 15% debenture holders of ₹ 4,00,000 in full settlement of their claims
 - (d) To cancel the unissued surrendered shares
- Give entries in the books of the company.

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[P.T.O.]

PART C — (4 × 10 = 40 marks)

Answer any FOUR questions.

20. India Software Ltd. offered 50000 shares of ₹ 10 each to the public payable as

Rs. 2 on application
Rs. 3 on allotment
Rs. 2 on first call and the balance as and when required

All the shares were applied for and duly allotted but Mukesh a shareholder holding 200 shares paid the entire balance on allotment. Make necessary journal entries.

21. Super Star Ltd. is formed to take over Super Ltd. and Star for Rs. 3,90,000 and Rs. 2,60,000 respectively. The purchase consideration is payable is fully paid equity shares of Rs. 10 each

Liabilities and assets of two companies are as follows:

	Liabilities		Assets	
	Super Ltd.	Star Ltd.	Super Ltd.	Star Ltd.
Equity			Land &	
share capital	3,12,000	2,34,000	building	1,04,000
General reserve	97,500	13,000	Stock	1,43,000
				96,200

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	Liabilities		Assets	
	Super Ltd.	Star Ltd.	Super Ltd.	Star Ltd.
Sundry creditors	78,000	26,000	Bills payable	70,850
Bills payable	32,500	19,500	Cash at bank	42,250
	5,20,000	2,92,500		23,920
				5,20,000

Bills discounted by Super Ltd. not yet matured Rs. 7,150

Additional information :

- (a) Sundry debtors of Star Ltd. included Rs. 24,700 due from Super Ltd.
(b) Bills payable of Super Ltd. include Rs. 16,250 acceptances in favour of Star Ltd. But bills receivable of Star Ltd. include Rs. 9,100 accepted by Super Ltd.

Close the books of Super Ltd. only.

22. The liabilities and assets of the holding company H Ltd. and its subsidiary S Ltd. as on 31st December 2014 are as follows :

	Liabilities		Assets	
	H Ltd.	S Ltd.	H Ltd.	S Ltd.
Share capital			Fixed assets	2,62,500
				75,000

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25. State with reasons whether the following statement is correct or not :

Maha & Sons financial position is as follows :

	Liabilities		Assets	
	H Ltd.	S Ltd.	H Ltd.	S Ltd.
Shares			Investments:	
Rs. 10 each	3,00,000	75,000	6000 shares	
General reserve	75,000	30,000	Current assets	1,12,500
Profit & loss a/c	37,500	22,500		60,000
Sundry creditors	37,500	7,500		
	4,50,000	1,35,000		4,50,000
				1,35,000

On the date of acquisition of shares in S Ltd. by H Ltd., S Ltd. had a general reserve balance of Rs. 30,000 S Ltd. capitalized Rs. 15,000 out of profit earned after acquisition of its shares by H Ltd. by making a bonus issue of one share for every five shares held.

Prepare the consolidated balance sheet.

23. Explain the procedure for preparation of statement of affairs.
24. Discuss the various methods of human resource accounting.

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- (a) Sundry assets 9,27,342
(b) Current liabilities 52,492
(c) Average net profit of last four years 1,20,500
(d) Average capital employed 9,00,000
(e) Partner's average annual remuneration 18,000
(f) The goodwill valued at four years purchase for super profit is 50,000
Therefore the expected rate of return is 15%.

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