

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
Post-Graduate Department of Commerce (M.Com)
M.Com Part-I, Semester-II, Semester End Examination (Repeat), May 2023
COC220: Advanced Corporate Accounting (OA – 18A)

Duration: 3 Hours

Max Marks: 60

Instructions:

1. *This paper consists of NINE questions carrying Equal marks.*
2. *Question No.1 consists of 5 Compulsory questions of 2 marks each.*
3. *Answer any FIVE questions from question 2,3,4,5,6,7,8 and 9.*
4. *Each question carries 10 marks. Figures to the right indicate marks.*

Q.1. Answer the following:

(5 × 2 = 10)

- a) Explain the pooling of interest method of amalgamation.
- b) What do you mean by 'Capital Reduction'?
- c) Explain Preferential Creditors?
- d) What is 'Statutory Reserve' in Banking? How is it created?
- e) What do you mean by 'Inter-Company Holdings'?

Q.2. Discuss the Principles of Consolidation to be considered while preparing a Consolidated Balance Sheet of Holding Company and its Subsidiary. (10)

Q.3. Discuss the various final accounts and adjustments of General insurance business to be prepared as per the IRDA Regulations, 2002. (10)

Q.4. Distinguish between Amalgamation in the nature of merger and Amalgamation in the nature of purchase. (10)

Q.5. What do you mean by 'Winding up of companies'? Explain the various ways of winding up of Company. (10)

Q.6. The Balance Sheet of Bubble Ltd. As on 31/3/2023 was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Share Capital			
8,000, Preference Shares of 10 each	80,000	Land and Building	25,000
12,000 Equity Shares of 10 each	1,20,000	Other fixed assets	2,00,000
Bank Loan	4,00,000	Profit and Loss A/c	58,000
8% Debentures	1,00,000	Stock	5,25,000
Creditors	2,00,000	Debtors	1,00,000
Interest Outstanding on Debentures	8,000		
	9,08,000		9,08,000

The company went into liquidation on that date. Prepare Liquidator's Final Statement after taking into account the following:

1. Liquidator expenses and Liquidator's remuneration amounted to Rs.3000 and Rs.10,000 respectively.
 2. Bank loan was secured by pledge of stock.
 3. Debentures and interest thereon are secured by a floating charge on all assets.
 4. Fixed assets were realized at book values and current assets at 80% of book values.
- (10)

Q.7. The Balance Sheet of National Ltd. As on 31st March 2023 was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Share Capital		Goodwill	15,000
2,000, Preference Shares of 100 each	2,00,000	Freehold Properties	2,00,000
4,000 Equity Shares of 100 each	4,00,000	Plant	3,00,000
Bank Overdraft	50,000	Profit and Loss	2,45,000
5% Mortgage Debentures	1,00,000	Stock	50,000
Creditors	1,00,000	Debtors	40,000
	8,50,000		8,50,000

The company got the following scheme of reconstruction approved by the court :

1. The preference shares to be reduced to Rs 75 per share, fully paid.
2. The equity shares to be reduced by Rs 62.50 per share.
3. The debenture-holders took over the stock and book debts in full satisfaction of the amount due to them.
4. The Goodwill Account to be eliminated.
5. The freehold properties to be depreciated by 50%.
6. The value of plant to be increased by Rs. 50,000.
7. The Profit and Loss to be eliminated.

Give journal entries for the above and prepare the revised Balance Sheet.

(10)

Q.8. Consider the following Balance Sheet.

Balance Sheet of H and S Ltd. as at 31/3/2023

Liabilities	H (Rs.)	S (Rs.)	Assets	H (Rs.)	S (Rs.)
Share Capital (Rs.20 each)	4,00,000	1,00,000	Land & Building	2,00,000	50,000
P & L A/c	1,00,000	----	Plant & Machinery	2,00,000	80,000
General Reserve	80,000	----	Investment in 5,000 shares of S Ltd.	1,00,000	----
Secured Loan	1,00,000	80,000	Stock	1,00,000	70,000
Unsecured Loan	----	70,000	Debtors	1,20,000	70,000
Creditors	50,000	50,000	Cash and Bank	50,000	30,000
Securities premium	40,000	----			
	7,70,000	3,00,000		7,70,000	3,00,000

Prepare Consolidated Balance Sheet as on 31/3/2023. (10)

Q.9. The following is the Trial Balance of Poona City Bank Ltd. as on 31st December 2023.

Particulars	Debit Rs.	Particulars	Credit Rs.
Cash in hand	2,90,000	Share Capital (3,000 share of Rs.10 each)	3,00,000
Cash with RBI	4,20,000	Statutory Reserve	4,00,000
Interest on Fixed Deposit	30,000	Deposits- Fixed	2,78,000
Interest on Saving Deposit	20,000	Saving	4,50,000
Interest on Current Deposit	12,500	Current	3,74,000
Salaries (including Rs.12,000 to Manager)	1,31,000		3,00,000
Rent, Insurance and Taxes	4,000	Interest and discount	
Postage and Telegrams	900	Commission and Brokerage	50,000
Printing and Stationery	7,000	Branch Adjustment Account	24,700
Audit Fees	4,000		
Depreciation	3,300		
Investment on shares	84,000		
Loans, Cash credit and Overdrafts	4,90,000		
Bills discounted and Purchased	1,80,000		
Government Bonds	1,60,000		
Furniture	40,000		
Premises	3,00,000		
	21,76,700		21,76,700

Additional Information:

1. Rebate on Bills discounted Rs.27,000.
2. Create RDD of Rs.11,000.
3. Acceptances on behalf of customers Rs.80,000.

You are required to prepare Profit and Loss Account for the year ended 31st December 2023 and Balance Sheet as on that date. (10)