



**M.Com. (Semester – II) Examination, April 2017**  
**COC201 : CORPORATE ACCOUNTING (OA-18)**  
**(Old)**

Duration : 3 Hours

Max. Marks : 60

- Instructions :** i) This paper consists **nine** questions carrying **equal** marks.  
 ii) Questions No. 1 consists of **5 compulsory** questions of **2 marks each**.  
 iii) Answer **any 5** questions from question 2, 3, 4, 5, 6, 7, 8 and 9.  
 iv) **Each** question carries **10** marks. Figures to the **right** indicate marks.

1. Answer the following questions in brief. (5×2=10)
- What is a consolidated Financial Statement ?
  - What is Financial Statement ? Explain importance of Financial Statement.
  - Distinguish between Pooling of Interest method and purchase method.
  - Explain the various list to be attached to statement of affairs.
  - Define Deferred Tax Assets and Deferred Tax Liabilities.
2. Janvi Ltd. has authorized share capital of Rs. 30,00,000 consisting of 3,00,000 equity share of Rs. 10 each. The following is the trial balance of the company as at 31<sup>st</sup> March 2015. 10

Particular	Amount	Particular	Amount
Calls in Arrear	2,00,000	Sales	1,56,20,000
Purchases	87,70,000	Creditors	5,00,000
Advance tax paid	24,50,000	12% Debentures	10,00,000
Salaries	20,00,000	General Reserve	5,80,000
Selling Expenses	22,00,000	Provision for Depreciation on	
Rent	1,00,000	Plant	5,00,000
Prepaid Rent	20,000	Furniture	3,00,000
Interest on Debenture	1,00,000	Securities Premium	4,50,000
Plant	25,00,000	Surplus	1,20,000

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Furniture	13,00,000	Provision for Doubtful Debts	30,000
Debtors	8,00,000	Commission	1,00,000
Discount on issue of debentures	10,000	Equity Share Capital	20,00,000
Stock	4,50,000	Provision for Tax	12,50,000
Bad Debts	50,000		
Bank balance	4,50,000		
Buildings	10,50,000		
	<b>2,24,50,000</b>		<b>2,24,50,000</b>

**Additional Information :**

- i) Rent Rs. 20,000 is outstanding.
- ii) Plant includes plant costing Rs. 2,50,000 Purchased on 1<sup>st</sup> October 2014. Provide depreciation on plant at 20% per annum and on Furniture at 10% per annum on written down value basis.
- iii) Maintain a provision for doubtful debts at 5% on Debtors.
- iv) The company proposed a dividend at 10% on paid up share Capital.
- v) Make a provision of 30% for Income Tax (including Surcharge and cess.)
- vi) Corporate Dividend tax is at 16.995% (including Surcharge and cess.)
- vii) Closing Stock is Rs. 20,00,000.

You are required to prepare :

- i) Statement of Profit and Loss.
- ii) Balance Sheet in the prescribed form as at 31<sup>st</sup> March 2015.

3. The Balance Sheet of Ahaan Ltd. on 31<sup>st</sup> March 2015 was as follows : 10

Equity and Liabilities	Amount	Assets	Amount
4000 Equity Shares of Rs. 100 each	4,00,000	Goodwill	1,00,000
6% Debentures	3,00,000	Land and building	2,00,000
Sundry creditors	1,00,000	Plant	2,00,000
Loan	1,50,000	Stock	1,00,000
Preferential Creditors	50,000	Sundry Debtor	1,50,000
		Profit and loss A/c	2,50,000
	<b>10,00,000</b>		<b>10,00,000</b>





The Company was reconstructed under the following scheme :

- 1) The paid-up value of share was reduced to Rs. 60 each.
- 2) Debenture holders agreed to reduce their claim to Rs. 2,50,000.
- 3) Creditors accepted Rs. 1,00,000 in cash in full settlement of their claims.
- 4) Preferential Creditors were paid in full.
- 5) Land and building revalued Rs. 3,00,000 and reserve for doubtful debts provision of Rs. 10,000 was made.
- 6) Goodwill and profit and Loss Account to be written off.
- 7) Balance of Rs. 40 per share was called and paid in full.

Draft Journal Entries and prepare Balance Sheet of Ahaan Ltd. as per schedule III of Companies Act, 2013.

4. The following are Assets and liabilities of Minku Ltd. Babu Ltd., as on 31<sup>st</sup> March 2013.

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Equity and Liabilities	Minku Ltd.	Babu Ltd.
Equity share capital @ 10 each	16,00,000	5,00,000
9% Preference Share Capital		2,00,000
General Reserve	9,00,000	1,80,000
Statutory Reserve	1,50,000	90,000
Surplus	2,80,000	70,000
10% Debentures		2,00,000
Creditors	2,00,000	1,00,000
	<b>31,30,000</b>	<b>13,40,000</b>
Assets		
Building	9,30,000	4,50,000
Machinery	5,60,000	3,10,000
Furniture	2,80,000	1,15,000
Stock	7,20,000	2,25,000
Debtors	4,50,000	1,60,000
Cash at Bank	1,90,000	80,000
	<b>31,30,000</b>	<b>13,40,000</b>





On 1<sup>st</sup> April 2013, Minku Ltd. takeover Babu Ltd. on the following terms :

- i) Building and machinery are valued at Rs. 6,00,000 and Rs. 3,00,000.
- ii) Minku Ltd. will issue 50,000 equity shares of Rs. 10 each at Rs. 12 to the equity shareholder of Babu Ltd.
- iii) Minku Ltd. will issue 2,000, 12% Debentures of Rs. 100 each at par to the debenture holders of Babu Ltd.
- iv) Minku Ltd. will issue 2,000, 10% Preference Share of Rs. 100 each at par to the preference shareholders of Babu Ltd.
- v) Minku Ltd. will bear liquidation expenses of Babu Ltd.
- vi) Statutory reserves are to be maintained for two more years.

You are required to pass journal entries in the books of Minku Ltd. assuming that amalgamation is in the :

- a) nature of Merger and
- b) in the nature of Purchase.

5. From the Balance Sheets given below, Prepare Consolidated Balance Sheet of X Ltd., and its subsidiary Y Ltd., The interest of minority shareholders in Y Ltd. is to be shown as a separate item in the Consolidated Balance Sheet. 10

#### Balance Sheets of X and Y Ltd.

Particulars	Note no.	Amount	
		X Ltd.	Y Ltd.
<b>I Equity and Liabilities</b>			
Shareholder's funds			
Share Capital	1	12,00,000	3,00,000
Reserve and Surplus	2	3,70,000	1,50,000
Current Liabilities			
Trade Payables		1,50,000	50,000
		<b>17,20,000</b>	<b>5,00,000</b>
<b>II Assets</b>			
Fixed Assets	3	12,00,000	4,00,000
Non-Current Investment	4	2,50,000	
Current assets			
Inventories		1,40,000	65,000
Trade Receivables		90,000	20,000
Cash and Cash Equivalents		40,000	15,000
		<b>17,20,000</b>	<b>5,00,000</b>





Notes :

	H Ltd.	S Ltd.
1. Share Capital		
Issued Subscribed and paid up		
Equity share of Rs. 10 each fully paid up	12,00,000	3,00,000
2. Reserve and Surplus		
General Reserve	2,50,000	60,000
Surplus i.e. credit balance of Profit and Loss A/c	1,20,000	90,000
	3,70,000	1,50,000
3. Fixed Assets		
Building	8,00,000	
Leasehold Property		2,50,000
Plant and Machinery	3,00,000	1,00,000
Furniture	1,00,000	50,000
	12,00,000	4,00,000
4. Non-Current investments		
2000 fully paid equity shares in S Ltd. at cost	2,50,000	

On the 1<sup>st</sup> April 2011 the date of acquisition by X Ltd. of its holding of 20,000 shares in Y Ltd. the later company had a credit balance of Rs. 60,000 in its profit and loss account.

6. Explain and illustrate the various points which are taken into consideration while preparing Consolidate Financial Statement of Holding and Subsidiary companies. 10
7. What do you mean by liquidation of a Company ? Describe the different modes of Winding-up. 10
8. Tally ERP 9 provides quality service application for inventory control. Explain in detail how the inventory is managed through Tally ERP 9. 10
9. Enumerate the importance of IFRS in the global Accounting. Also state the limitations of IFRS in India. 10