



**IV Semester B.Com. Degree Examination, September/October 2021  
(CBCS) (Fresh + Repeaters) (2015 – 16 and Onwards)  
COMMERCE**

**Paper – 4.3 : Advanced Corporate Accounting**

Time : 3 Hours

Max. Marks : 70

**Instruction : Write only in Kannada or in English.**

**SECTION – A**

Answer **any five** sub-questions. **Each** sub question carries **2** marks. **(5×2=10)**

1. a) Who is a contributory ?  
b) What are the grounds for compulsory winding up of the company ?  
c) What are the types of preference shares ?  
d) Who is a liquidator ?  
e) What are the methods for calculation of purchase consideration ?  
f) State the meaning of Social Accounting.  
g) What is accounting standards ?

**SECTION – B**

Answer **any three** questions. **Each** question carries **6** marks. **(3×6=18)**

2. The purchasing company has agreed to issue 8000 equity shares of Rs. 10 each at a premium of 10%.  
500 8% preference shares of Rs. 100 each at a premium of 10%.  
Rs. 20,000 in cash.  
Calculate purchase consideration.
3. A company had 5,000, 6% redeemable preference shares of Rs. 100 each fully paid. These shares were due for redemption on 31<sup>st</sup> March 2019 at a premium of 10%. To carry out the redemption the company issued 1,250 equity shares of Rs. 100 each at a premium of 7.5%. The company had a balance of Rs. 25,000 in securities premium account and Rs. 4,87,500 in profit and loss account. Pass necessary journal entries.
4. The following particulars relate to a limited company which has gone in to voluntary liquidation.

|                        |            |
|------------------------|------------|
| Preferential creditors | Rs. 10,000 |
| Unsecured creditors    | Rs. 32,000 |
| Debentures             | Rs. 10,000 |

The assets realised the following sum.

|                       |            |
|-----------------------|------------|
| Land and buildings    | Rs. 20,000 |
| Plant and Machinery   | Rs. 18,650 |
| Fixtures and fittings | Rs. 1,000  |

The liquidation expenses amounted to Rs. 1,000. You are required to prepare the liquidators final statement of Account allowing for his remuneration at 2% on the amount realised, 2% on the amount distributed to unsecured creditor other than preferential creditors.



5. The following is the Balance Sheet of Mysore Sandal Ltd. as on 31-3-2020.

| Liabilities                                      | Amount           | Assets                  | Amount           |
|--|------------------|-------------------------|------------------|
| 13% cumulative preference shares of Rs. 100 each | 1,00,000         | Fixed assets            | 15,00,000        |
| Equity shares of Rs.10 each                      | 7,00,000         | Current assets          | 35,00,000        |
| 8% debentures                                    | 3,00,000         | Profit and Loss Account | 3,00,000         |
| Current liabilities                              | 39,00,000        |                         |                  |
| Provision for taxation                           | 3,00,000         |                         |                  |
|  | <b>53,00,000</b> |                         | <b>53,00,000</b> |

The following scheme of reconstruction was adopted.

- 1) All existing equity shares are reduced to Rs. 5 each.
  - 2) All preference shares are reduced to Rs. 75 each.
  - 3) Fixed assets are to be written down by  $33\frac{1}{3}\%$ .
  - 4) Current assets are to be revalued at Rs. 27,00,000.
- Pass necessary journal entries.

6. State the significance of Accounting Standards in India.

### SECTION – C

(3×14=42)

Answer **any three** questions. **Each** question carries **14** marks.

7. On 1-4-2020 A Ltd. and B Ltd. were Amalgamated into C Ltd. On the basis of the following Balance Sheet.

| Liabilities     | A Ltd.          | B Ltd.          | Assets    | A Ltd.          | B Ltd.          |
|-----------------|-----------------|-----------------|-----------|-----------------|-----------------|
| Paid up capital | 2,24,000        | 1,75,000        | Goodwill  | 80,000          | 32,000          |
| Creditors       | 5,000           | 6,000           | Buildings | 50,000          | 60,000          |
| Reserve         | 8,000           | 12,000          | Plant     | 41,000          | 10,000          |
| P and L A/c     | 11,000          | 4,000           | Stock     | 42,000          | 33,000          |
|                 |                 |                 | Debtors   | 23,000          | 40,000          |
|                 |                 |                 | Cash      | 12,000          | 22,000          |
|                 | <b>2,48,000</b> | <b>1,97,000</b> |           | <b>2,48,000</b> | <b>1,97,000</b> |

#### Additional information :

- 1) Buildings of both the companies to be written down by 10%.
- 2) Provide 5% Reserve for bad and doubtful debts on debtors of both the companies.
- 3) Goodwill is valued at Rs. 46,500 for A Ltd. and Rs. 15,000 for B Ltd.
- 4) Entire amount of purchase consideration was discharged by the allotment of equity shares in C Ltd.
- 5) C Ltd. agrees to tax over the remaining assets and liabilities at book values.

Calculate purchase consideration and necessary ledger accounts in the books of 'A' Ltd. and B Ltd.



8. The following was the Balance Sheet of Amarnath Ltd. as on 31-3-2020 when it was wound up voluntarily.

| <b>Liabilities</b>                                   | <b>Amount</b>    | <b>Assets</b>           | <b>Amount</b>    |
|--|------------------|-------------------------|------------------|
| 50,000 Equity shares of Rs. 10 each                  | 5,00,000         | Plant and Machinery     | 4,00,000         |
| 2000 6% cumulative preference shares of Rs. 100 each | 2,00,000         | Furniture               | 1,000            |
| 7% Debentures  | 1,00,000         | Investments             | 50,000           |
| Sundry creditors                                     |                  | Stock                   | 50,000           |
| trade  | 3,00,000         | Debtors                 | 2,00,000         |
| Cash   | 48,000           | Cash                    | 1,200            |
| Outstanding  | 2,000            | Profit and Loss Account | 4,47,800         |
|  | <b>11,50,000</b> |                         | <b>11,50,000</b> |

Preference dividends are in arrears for one year. Debenture interest is also due for one year. All the outstanding creditors are preferential. The assets realised as follows.

Plant and Machinery 2,80,000, Furniture 400, Debtors 1,50,000.

The stock and investments realised nothing. The expenses of liquidation amounted to Rs. 2,000. The liquidator is entitled to a commission of 4% on the assets realised and 2% on the amount paid to unsecured creditors. Prepare the liquidators statement of accounts.

9. Balance Sheet of Kushanth Ltd. As on 31-3-2020 is as follows.

| <b>Liabilities</b>            | <b>Amount</b>    | <b>Assets</b>           | <b>Amount</b>    |
|-------------------------------|------------------|-------------------------|------------------|
| 19,000 shares of Rs. 100 each | 19,00,000        | Land and Buildings      | 1,00,000         |
| Creditors                     | 1,00,000         | Machinery               | 2,60,000         |
| Debentures                    | 1,00,000         | Furniture               | 20,000           |
|                               |                  | Stock                   | 3,70,000         |
|                               |                  | Debtors                 | 1,80,000         |
|                               |                  | Goodwill                | 2,00,000         |
|                               |                  | Profit and Loss Account | 9,70,000         |
|                               | <b>21,00,000</b> |                         | <b>21,00,000</b> |

The company is to be reconstructed as follows.

- 1) Shares of Rs. 100 are to be reduced to all equal number of fully paid shares of ₹ 40 each.
- 2) To issue 1000 new shares of Rs. 40 each as fully paid up to debenture holders in full settlement.
- 3) The amount available is to be utilised in writing off the goodwill and profit and loss account and the balance in writing down the value of machinery.
- 4) Authorised capital of the company is 20,000 shares of Rs. 100 each.

Pass necessary journal entries.

Prepare capital Reduction Account and Reconstructed Balance Sheet.

10. 'C' company was agreed to be acquire by 'M' company on 31-3-2020. On this date the Balance Sheet of the 'C' company was as follows.

| <b>Liabilities</b>                         | <b>Amount</b>    | <b>Assets</b>      | <b>Amount</b>    |
|--|------------------|--------------------|------------------|
| Share capital 45,000 shares of Rs. 10 each | 4,50,000         | Land and Buildings | 3,50,000         |
| General reserve                            | 3,00,000         | Furniture          | 30,000           |
| Profit and Loss Account                    | 1,40,000         | Machineries        | 5,60,000         |
| 5% debentures                              | 1,10,000         | Stock              | 80,000           |
| Dividend equalisation fund                 | 40,000           | Debtors            | 36,000           |
| Creditors                                  | 20,000           | Cash Balance       | 4,000            |
|  | <b>10,60,000</b> |                    | <b>10,60,000</b> |



M company having decided to acquire all the assets and liabilities of 'C' company valued the assets as follows. It was decided to acquire current assets at book values and fixed assets at the following values.

|                   |              |
|-------------------|--------------|
| Land and Building | Rs. 4,00,000 |
| Furniture         | Rs. 20,000   |
| Machineries       | Rs. 6,00,000 |
| Value of Goodwill | Rs. 60,000   |

The purchase consideration is payable  $\frac{1}{2}$  in shares and Balance in cash. The absorption expenses of Rs. 5,000 was paid by the 'M' company in addition to purchase consideration.

Prepare purchase consideration necessary ledger accounts and journal entries in the books of 'M' company.

11. The following is the Balance Sheet of Joshna Ltd. on 31-3-2020.

| Liabilities  | Amount           | Assets       | Amount           |
|--|------------------|--------------|------------------|
| 20,000 8% Redeemable preference shares of Rs.10 each               | 2,00,000         | Fixed assets | 8,00,000         |
| 40,000 7% redeemable preference shares of Rs.10 each Rs. 5 paid up | 2,00,000         | Investment   | 2,00,000         |
| 40,000 Equity shares of Rs.10 each fully paid                      | 4,00,000         | Stock        | 80,000           |
| Securities premium   | 1,60,000         | Debtors      | 1,20,000         |
| General Reserve  | 1,20,000         | Bank         | 4,00,000         |
| Capital Reserve  | 1,40,000         |              |                  |
| Profit and Loss A/c  | 1,80,000         |              |                  |
| Current liabilities  | 2,00,000         |              |                  |
|  | <b>16,00,000</b> |              | <b>16,00,000</b> |

On 1-4-2020 the company redeemed both the preference shares at a premium of 10%. In order to pay off the preference shareholders. The company issued 50,000 Equity shares of ₹ 10 each at 5% premium. Pass Journal entries and prepare Balance Sheet.

ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ - ಎ

ಯಾವುದಾದರೂ ಐದು ಉಪಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ 2 ಅಂಕಗಳು.

(5×2=10)

- ವಂತಿಕೆದಾರರು ಎಂದರೆ ಯಾರು ?
- ಕಂಪನಿಯನ್ನು ಕಡ್ಡಾಯವಾಗಿ ಮುಕ್ತಾಯಗೊಳಿಸಲು ಇರುವ ಆಧಾರಗಳು ಯಾವುವು ?
- ಆದ್ಯತೆಯ ಪೇರುಗಳ ವಿಧಗಳು ಯಾವುವು ?
- ವಿಸರ್ಜನಾಧಿಕಾರಿ ಎಂದು ಯಾರನ್ನು ಕರೆಯುತ್ತಾರೆ ?
- ಖರೀದಿ ಪರಿಗಣನೆಯ ಲೆಕ್ಕಾಚಾರದ ವಿಧಾನಗಳು ಯಾವುವು ?
- ಸಾಮಾಜಿಕ ಲೆಕ್ಕ ಪತ್ರ ಎಂದರೇನು ?
- ಲೆಕ್ಕ ಪತ್ರ ಮಾನದಂಡಗಳು ಎಂದರೇನು ?