

QP CODE: 22000507



Reg No :

Name :

M.COM DEGREE (CSS) EXAMINATION , JANUARY 2022

Second Semester

CORE - CM010201 - ADVANCED CORPORATE ACCOUNTING

M.COM FINANCE AND TAXATION, M.COM FINANCE AND TAXATION (SF), M.COM
MANAGEMENT AND INFORMATION TECHNOLOGY (SF), M.COM MARKETING AND
INTERNATIONAL BUSINESS (SF)

2019 Admission Onwards

14A693DB

Time: 3 Hours

Weightage: 30

Part A (Short Answer Questions)

Answer any **eight** questions.

Weight **1** each.

1. What is Proposed Dividend?
2. "Treatment of issue of bonus share depends on the sources from which it is issued". Justify it.
3. How will you compute Reasonable Return under the Electricity Supply Act 1948?
4. What is Insolvency and Bankruptcy Code, 2016?
5. Discuss the effect of bankruptcy order.
6. What is Liquidation?
7. Who are preferential creditors?
8. What is Liquidator's final statement of Account?
9. What is address commission?
10. What is partial underwriting?

(8×1=8 weightage)

Part B (Short Essay/Problems)

Answer any **six** questions.

Weight **2** each.

11. Write a short note on the circumstances when a company becomes subsidiary of another company?
12. What do you mean by Mutual Holding?



13. What are the advantages of Double Account System?
14. Ratnakar Electricity Co. Ltd., (which adopts the double account system) rebuilt and re- equipped a power station and the connecting lines during the year 2015. For the purpose they purchased materials of Rs.10,85,000 and used stores worth Rs.4,90,000 from their existing stock. The cost of labour came to Rs.5,22,000. The estimated supervisory overheads attributed to this project were Rs.13,000. The station was erected in 1993 at a cost of Rs.5,00,000 and the index of costs in the line stood in 2015 @385, taking 1993 as the base year. Discarded materials from the old station fetched Rs.12,000.
Show journal entries to record the entries relating to the new station.
15. What are the provisions regarding premature ending of repayment plan and discharge order?
16. Who is past member in case of Liquidation? What are the circumstances under which a past member is not liable to contribute in respect of a liability in the case of winding up?
17. Who are included in Preferential Creditors under section 530 of Companies Act?
18. What are the sources of income of a hotel?

(6×2=12 weightage)

Part C (Essay Type Questions)

Answer any **two** questions.

Weight **5** each.

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

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share capital: shares of Rs.10 each	2,50,000	75,000	Buildings	1,12,500	30,000
General Reserve	1,00,000	31,250	Plant and Machinery	87,500	40,000
Profit and Loss A/c	75,000	43750	Furniture	20,000	7,500
Creditors	25,000	17,500	Investments: 5000 shares in S Ltd	65,000	
			Sundry Debtors	75,000	42,500
			Stock	80,000	40,000
			Cash	10,000	7,500
	4,50,000	1,67,500		4,50,000	1,67,500

Prepare the Consolidated Balance Sheet as on 31st December 2014, by considering the following information:

- (a) H Ltd. acquired the shares in S Ltd. on 1st January 2014 when balance of their Profit and Loss Account and General Reserve were Rs. 18750 and Rs. 20000 respectively.
- (b) Stock of Rs. 40000 held by S Ltd. includes Rs. 15000 of goods purchased from H Ltd, who has charged a profit @ 25% on cost



20. Following balances are extracted from the books of M/s Sunshine Electric Company Ltd.:

1. Fixed Assets- Expenditure up to 1-4-2015:

Land & Buildings- Rs.10,00,000

Machinery- Rs. 15,00,000

2. Additions during the year- Machinery- Rs. 3,50,000

3. Depreciation Fund: Machinery -Rs. 3,00,000 & Buildings- Rs. 1,00,000

4. Authorized Capital Rs. 50,00,000 divided into equity shares of Rs. 100 each

5. Issued & fully paid up 20,000 equity shares of Rs. 100 each (including 2,500 equity shares issued during the year)

6. 7.5 % Debentures Rs. 10,00,000 received by a charge on fixed assets

7. Sundry Creditors- Rs. 2,50,000; Reserve Fund Rs. 5,00,000; Reserve Fund Investment at cost- Rs. 5,00,000; Market value-Rs. 5,25,000

8. Stock- Rs. 3,02,500; Sundry Debtors- Rs. 4,50,000; Cash at Bank- Rs. 2,00,000; Cash in Hand- Rs. 50,000

9. Profit and Loss (Cr.)- Rs. 2,02,500

You are instructed to prepare Capital Account and General balance Sheet as at 31st March 2016 under Double Account System.

21. Mr. Raj is appointed as liquidator of Moon Company Limited in voluntary liquidation on 1st July 2018.

Following balances are extracted from the books on the date:

Particulars	Amount (Rs)
Equity shares -24000 shares of 5 each	120000
Reserve for bad debts	15000
Debentures	75000
Machinery	45000
Bank overdraft	27000
Liabilities for purchases	30000
Leasehold properties	60000
Stock in trade	1500
Book debts	90000
Investments	9000
Calls in arrear	7500
Cash in hand	1500
Profit and Loss account (Dr balance)	52500

Prepare statement of affairs to be submitted in the meeting of the creditors. The following assets are valued as under:

Leasehold properties	Rs 109000
Machinery	Rs 90000
Investments	Rs 6000
Stock in trade	Rs 3000



Bad debts are Rs3000 and the doubtful debts are Rs 6000 which are estimated to realize Rs 3000.

The bank overdraft is secured by deposit of title deeds of leasehold properties. Preferential creditors are Rs 1500.

Telephone rent outstanding is Rs 120.

22. Following is the detail of a voyage of Jalganga shipping company from port A on 1-2-2019. The ship arrived at port D on 31-03-2019 & the voyage was completed. 3000 tons & 1000 tons were loaded at port A for port D & C respectively. Another 300 tons were loaded at C for D. The freight charges were ; A to D Rs.100/- per ton; A to C Rs.80/- per ton; C to D Rs. 50/- per ton. The freight is subject to 10% primage, 5% address commission & 3% brokerage. The freight was insured at 0.5%. The hull was insured for the voyage @ 1%. Depreciation is provided @ 5% p.a. Cost of the ship is Rs.12 lakhs. The expenses at different ports are as under;

	A	B	C	D
Port charges	4000	2000	3000	3000
Coal	18000		4000	
Captains expenses	1200	800	600	900
Harbour wages	4000		3000	2500

Stores purchased at commencement amounted to Rs. 8000/-. Opening stock of stores was Rs.5000/- & closing stock is estimated to be Rs.2000/-. Stock of coal at closing is Rs.4500 as against stock of Rs. 1500/- in the beginning. Salary is amounted to Rs.12000/- per month. Prepare Voyage account for the year ending 31/03/2019.

(2×5=10 weightage)