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Name.....

Reg. No.....

SECOND SEMESTER M.Com. DEGREE EXAMINATION, JUNE 2018

(CUCSS-PG)

Commerce

MC 2C 7—ADVANCED CORPORATE ACCOUNTING

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each question carries 1 weightage.

1. What is main object of IFRS ?
2. What is Minority Interest ?
3. Define Bonus Shares.
4. How do you treat 'Liquidation Expenses' ?
5. What is the significance of Farm Accounts ?
6. How do you treat 'Human Capital' ?

(6 × 1 = 6 weightage)

Part B

Answer any six questions.

Each question carries 3 weightage.

7. What is the role of IASB in IFRS ?
8. Distinguish IFRS with Indian Accounting Standards.
9. How would you ascertain the amount of Goodwill or Capital reserve while preparing a consolidated Balance Sheet ?
10. While preparing consolidated Balance Sheet how would you treat contingent liabilities and unrealised profits ?
11. Describe the different modes of winding-up of a company.
12. Explain the various lists to be attached to the statement of affairs.
13. Explain in brief the different terms used in Voyage Account.
14. Why accounting for price level changes is necessary.

(6 × 3 = 18 weightage)

Turn over

Part C

Answer any two questions.
Each question carries 6 weightage.

15. The following is the Balance Sheet of Week Co. Ltd. as on 31st March, 2008 :

<i>Liabilities</i>	Rs.	<i>Assets</i>	Rs.
1,00,000 equity shares of Rs. 10 each	... 10,00,000	Land	... 1,00,000
Sundry Creditors	... 1,73,000	Plant and Machinery	... 2,30,000
		Furniture and Fittings	... 68,000
		Stock	... 1,50,000
		Debtors	... 70,000
		Cash at Bank	... 5,000
		Profit and Loss Account	... 5,50,000
	<u>11,73,000</u>		<u>11,73,000</u>

The approval of the cost was obtained for the following scheme of reduction of capital :

- (a) The equity shares to be reduced to Rs. 4 per share.
- (b) Plant and Machinery to be written down to Rs. 1,50,000.
- (c) Stock to be revalued at Rs. 1,40,000.
- (d) The provision on debtors for doubtful debts to be created Rs. 2,000.
- (e) Land to be revalued at Rs. 1,42,000.

Pass journal entries to give effect to the above arrangement and also prepare reconstruction account.

16. The Over-Confident Ltd. Went into liquidation with the following liabilities :

- (a) Secured Creditors Rs. 20,000 (securities realised Rs. 25,000).
- (b) Preferential creditors Rs. 600.
- (c) Unsecured creditors Rs. 30,500.

Liquidator's expenses in connection with liquidation amounted to Rs. 252. The liquidator is entitled to a remuneration of 3 per cent on every amount realised and 1½ per cent on the amount distributed to unsecured creditors except preferential creditors. The various assets (excluding securities in the hands of fully secured creditors) realised Rs. 26,000.

Prepare Liquidator's account.

17. From the following Balance Sheets of H Ltd. and its subsidiary S Ltd., drawn upto 31st March, 2008, prepare a consolidated Balance Sheet as at that date, having regard to the following :

- (i) Reserve and Profit and Loss (Cr.) of S. Ltd. stood as Rs. 25,000 and Rs. 15,000 respectively on the date of acquisition of its 80% shares by H Ltd. and
- (ii) Machinery (book value Rs. 1,00,000) and furniture (book value Rs. 20,000) of S were revalued at Rs. 1,50,000 and Rs. 15,000 respectively for the purpose of fixing the price of its share ; book values of other assets remaining unadjusted.

Balance Sheet of H Ltd. and S Ltd. as at 31st March, 2008

	H Ltd.	S Ltd.		H Ltd.	S Ltd.
	Rs.	Rs.		Rs.	Rs.
Share capital ...	5,00,000	1,00,000	Machinery ...	3,00,000	90,000
Reserve ...	2,00,000	75,000	Furniture ...	50,000	17,000
Profit and Loss Account ...	1,00,000	25,000	Other Assets ...	4,40,000	1,43,000
Creditors ...	1,50,000	50,000	Shares in S Ltd. 800 at Rs. 200 each ...	1,60,000	
	<u>9,50,000</u>	<u>2,50,000</u>		<u>9,50,000</u>	<u>2,50,000</u>

18. Discuss the different methods of Human Resource Accounting. Which one of them will you recommend for adoption in India under prevailing circumstances? Give reasons.

(2 × 6 = 12 weightage)