

SECOND SEMESTER M.Com DEGREE EXAMINATION, APRIL 2024
(Regular/Improvement/Supplementary)

COMMERCE
FMCM2C06: ADVANCED CORPORATE ACCOUNTING

Time: 3 Hours

Maximum Weightage: 30

Part A: Answer any *four* questions. Each carries *two* weightage.

1. Define Holding company.
2. What is meant by unrealised profit?
3. What is internal reconstruction?
4. Who is a contributory?
5. What are TTD and DTD?
6. Write a note on IFRS 15.
7. What is financial lease?

(4 × 2 = 8 weightage)

Part B: Answer any *four* questions. Each carries *three* weightage.

8. H Ltd. acquired 80% shares of S Ltd. as on 31/12/2023. H Ltd. acquired 800 shares of Rs. 10 each at a cost of Rs. 8000. The company has accumulated profit of Rs. 1000. Calculate NCI.
9. On 1/4/2022, subsidiary company A Ltd. has Rs 90,000 as surplus in the balance sheet while on 31/3/2023 the balance in the surplus is Rs 1,50,000. H Ltd. acquired the shares of A Ltd. on 1/7/2019. Determine the pre-acquisition profits.
10. Raman Ltd., agrees to purchase the business of Krishnan Ltd., on the following terms: (a) For each of the 10000 shares of Rs.10 each in Krishnan Ltd. 2 shares in Raman Ltd., of Rs.10 each will be issued at an agreed value of Rs,12 per share. In addition, Rs.4 per share cash also will be paid. (b) 8% debentures worth Rs.80000 will be issued to settle the Rs.60000 9% debentures in Krishnan Ltd., (c) Rs.10000 will be paid towards expenses of winding up. Calculate the purchase consideration.
11. Pass journal entries for the following:—
 - (i) Conversion of fully paid equity share capital of Rs. 6,00,000 into equity stock.
 - (ii) Cancellation of unpaid amount of Rs 2,00,000 in respect of 1,00,000 equity shares of Rs. 10 each, Rs. 8 called and paid up.
 - (iii) Sub-division of 20,000 fully paid equity shares of Rs 100 each into 2,00,000 equity shares of Rs. 10 each fully paid.
 - (iv) Consolidation of 40,000 14%

(P.T.O.)

preference shares of Rs. 25 each, fully paid up into 10,000 14% preference shares of Rs. 100 each. (v) Conversion of equity stock of Rs. 2,50,000 into 25,000 equity shares of Rs. 10 each.

12. Write a note on deferred tax asset & deferred tax liability.
13. X Ltd. (lessor) entered into an operating lease with Y Ltd. to rent an office premises at an annual rent of Rs 1,20,000 for 5 years, the rentals are received at the end of each year. In securing the lease, X Ltd. spent an amount of Rs 1,00,000 as commission. Give journal entries in the books of X Ltd.
14. Write a note on benefits and disadvantages of human resource accounting.

(4 × 3 = 12 weightage)

Part C: Answer any two questions. Each carries five weightage.

15. H Ltd. acquired 20,000 shares of S Ltd. of Rs. 100 each on 31st march 2022.

Balance sheet of H Ltd. & S Ltd. as at 31/3/2023.

| | H Ltd. | S Ltd. |
|------------------------------------|--------------------|------------------|
| I. Equity & Liabilities | | |
| Share capital | 80,00,000 | 25,00,000 |
| Reserves | 30,00,000 | 5,00,000 |
| Surpluses | 10,00,000 | 10,00,000 |
| Creditors | 20,00,000 | 5,00,000 |
| Total | 1,40,00,000 | 45,00,000 |
| II. Assets | | |
| Fixed Assets | 70,00,000 | 25,00,000 |
| Investment | 30,00,000 | |
| Current asset | 40,00,000 | 20,00,000 |
| Total | 1,40,00,000 | 45,00,000 |

S Ltd. had the credit balance of Rs. 5,00,000 in the reserves & Rs. 2,00,000 in the surplus account when H Ltd. acquired the shares in S Ltd. S Ltd issued bonus shares @ 1 for every 5 shares held out of Post-acquisition profits. Prepare consolidated Balance Sheet.

16. The position of V Ltd. on its liquidation is as under.

3,000 11% preference shares of Rs 100 each fully paid.

3,000 equity shares of Rs 100 each, fully paid.

1,000 equity shares of Rs 50 each, Rs 30 paid.

Calls in arrears are Rs. 10,000 and calls received in advance Rs. 5,000. Preference shares dividends are in arrears for one year. Amount left with liquidator after discharging all liabilities is Rs. 4,13,000. You are required to prepare Liquidator's final statement of affairs.

17. Briefly state objectives, scope, measurement and recognition and disclosure requirements under Ind AS 12.

18. On January 1, 2022, X Ltd. company signed an 8 year lease agreement for equipment. Annual payment are Rs. 28,500 to be made at the beginning of each year. At the end of the lease, the equipment will revert to the lessor. The useful life is 8 years and has no residual value. At the time of lease, the fair value is Rs. 1,66,000. An interest rate of 10.5% and straight-line depreciation are used. Identify the type of lease.

(2 × 5 = 10 weightage)