D2ACM2401 **(3 Pages)** **Name.............................**
Reg.No..........................

SECOND SEMESTER M.Com DEGREE EXAMINATION, APRIL 2025
(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. What do you mean by external reconstruction?
2. What is cost of control? How it is calculated?
3. Describe financial lease.
4. Write a note on deferred tax.
5. Who is a subsidiary company?
6. Write a note on mutual owings.
7. Explain Ind AS 12.

(4 × 2 = 8 weightage)

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

8. Why do we resort to internal reconstruction?
9. L. T. Ltd. went into liquidation with the following liabilities.

   Secured creditors - Rs. 60000 (securities realized Rs. 50000)

   Preferencial creditors - Rs. 1200

   Unsecured creditors - Rs. 60000

   Liquidation expenses - Rs. 500

   The liquidator is entitled to a remuneration of 2 % on the amount realized (including securities in the hands of secured creditors. The various assets realized are Rs 52000. Prepare the liquidator’s statement.
10. Explain the process of revenue from contract.
11. What is inflation accounting? What are the approaches to inflation accounting?

(P.T.O.)

12. Balance sheet of H Ltd. & S Ltd. as on 31.12.2024.

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share capital (10 each)	200000	100000	Shares in S Ltd(8000shares)	1,30,000	
General reserve	20000	10000	Other assets	1,20,000	1,26,000
Profit and loss	20000	8000			
Liabilities	10000	8000			
Total	250000	126000	Total	2,50,000	1,26,000

H Ltd. acquires shares in S Ltd. on 1-1 -2024. On that date profit and loss account had a credit balance of Rs. 2000 and in reserve Rs. 6000. Calculate Revenue profit and Capital profit.

13. Annual lease rent ₹ 40,000 at the end of each year.

Lease period 5 years, Guaranteed residual value ₹ 14,000, Fair value at the inception (beginning) of lease ₹ 1,50,000.

Interest rate implicit on lease is 12.6 %. The present value factor at 12.6 % are 0.89, 0.79, 0.7, 0.622, 0.552 respectively.

Show journal entries to record the assets taken on finance lease in the book of lessee.

14. Calculate NCI and Cost of control.

Balance sheet of H Ltd. and S Ltd. as on 31-12-2024

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share capital	25,00,000	6,00,000	Fixed asset	20,40,000	6,00,000
General reserve	3,60,000	1,20,000	Investment		
P & L	2, 40,000	1,80,000	40000 shares in S Ltd.	5,00,000	
Trade Creditors	3,50,000	1,00,000	Current asset	9,10,000	4,00,000
Total	34,50,000	10,00,000	Total	34,50,000	10,00,000

(4 × 3 = 12 weightage)

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

15. Briefly state objectives, scope measurement and recognition, and disclosure requirements under Ind As 12.

16. What is lease financing? Distinguish between financial lease and operating lease.

17. Balance sheet of H Ltd. and S Ltd. as on 31.3.2020.

Liabilities	H Ltd	S Ltd	Assets	H Ltd	S Ltd
Share capital	25,00,000	6,00,000	Fixed asset	20,40,000	6,00,000
General reserve	3,60,000	1,20,000	Investment		
P & L	2, 40,000	1,80,000	40000 shares in S Ltd.	5,00,000	
Trade creditors	3,50,000	1,00,000	Current asset	9,10,000	4,00,000
Total	34,50,000	10,00,000	Total	34,50,000	10,00,000

At the time of acquisition of H Ltd. of its holding of 40,000 shares in S Ltd., the latter company had undistributed profit and reserve amounting to Rs. 10000. Prepare the Consolidate balance sheet.

18. A Ltd. Balance sheet as on 31.3.2024.

Liabilities	Amount	Assets	Amount
Share capital		Machinery	1,90,000
1,000 6% preference shares		Furniture	10,000
of Rs. 100 each	1,00,000	Stock	1,20,000
2000 equity shares of Rs. 100		Debtors	2,40,000
each	2,00,000	Cash at bank	50,000
2000 equity shares of Rs. 100		Profit and loss A/c	3,00,0000
each, Rs. 75 paid	1,50,000		
Loan (secured on stock)	1,00,000		
Creditors	3,50,000		
Income tax payable	10,000		
Total	9,10,000	Total	9,10,000

The company went in to liquidation on 1-04-2024. The assets were realized as follows: Machinery - 1,66,000, Debtors -2,30,000, Stock- 1,10,000 , Furniture - 8,000 and liquidation expenses - 4000. The liquidators are entitled to a commission at 2% on amount paid to unsecured creditors excluding preferential creditors. Calls on partly paid shares were made but amount due on 200 shares were found to be irrecoverable.

Prepare Liquidator’s statement of Account.

(2 × 5 = 10 weightage)