



71421

IV Semester B.C.L.S. Examination, Sept./Oct. 2022
(CBCS Scheme)
COMMERCE

Paper – 4.3 : Advanced Corporate Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written in **English only**.

SECTION – A

1. Answer **any 5** questions. **Each** question carries **2** marks. **(5×2=10)**
- State the different kinds of preference share.
 - Give the journal entry for transfer of divisible profits to capital redemption reserve.
 - State the methods for accounting for amalgamation.
 - What do you mean by purchase consideration? How is it discharged ?
 - What is internal reconstruction ?
 - As a Liquidator, how would you adjust the rights between the fully paid-up and partly paid-up equity shares ?
 - What is social accounting ?

SECTION – B

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

- Bhavani Ltd. redeemed its 10,000 preference shares of ₹ 100 each at a premium of 10%. Though the company had sufficient balance in the reserve fund, it decides to make fresh issue of 6,000 equity shares of ₹ 100 each at a premium of 25% for this purpose. Pass necessary journal entries.
- Write the journal entries for the settlement of purchase consideration in the books of purchasing company from following details: Purchase consideration – ₹ 5,00,000 which is settled by issue of equity shares of ₹ 100 each at premium of 25%.
- A company after a series of heavy losses resolved to reconstruct itself internally upon the following terms :
 - The share holders to forego 2/5 of their capital which is at present 50,000 shares of ₹ 10 each.
 - The goodwill of ₹ 1,50,000 need to be written off completely. The Plant and Machinery which stood at ₹ 1,00,000 were written down to ₹ 75,000. The free hold land need to be written down by ₹ 25,000.Prepare the capital reduction a/c.

P.T.O.



5. 'X' Ltd. went into voluntary liquidation. Its asset realized by ₹ 4,20,000 excluding amount realised by the sale of securities held by secured creditors.

From the following, prepare Liquidators Final Account.

Share capital : 1,000 shares of ₹ 100 each,

Secured Creditors ₹ 35,000 (securities realized ₹ 40,000)

Preferential creditors ₹ 6,000, Unsecured creditors ₹ 1,40,000

Debentures (Have a floating charge on assets) ₹ 2,50,000

Liquidation expenses ₹ 5,000 Liquidator's remuneration – Fixed ₹ 7,500

6. Explain the need for Human Resource Accounting.

SECTION – C

Answer **any 3** questions. **Each** question carries **14** marks.

(3×14=42)

7. The following is the Balance Sheet of a company as on 31.03.22

Liabilities	₹	Assets	₹
10,000 Equity shares of ₹ 10 each	1,00,000	Fixed Assets	
5,000, Pref. shares (redeemable)		Land and Buildings	5,00,000
of ₹ 100 each fully paid	5,00,000	Furniture	50,000
Sundry Creditors	2,50,000	Investments	1,25,000
		Current Assets	
		Stock	1,00,000
		Debtors	25,000
		Bank	50,000
	8,50,000		8,50,000

The company decided to redeem its preference shares and for this purpose it sold its investments at par and made right issue of 50,000 equity shares of ₹ 10 each at par.

Assuming that the shares are taken-up and paid for, journalise the transactions and prepare the Balance Sheet after redemption of preference shares.



8. On 31-3-22 the Balance Sheet of C Ltd was as follows :

Liabilities	₹	Assets	₹
25,000 Equity shares of ₹ 100 each		Goodwill	12,500
General Reserve	2,50,000	Other fixed assets	87,500
Current Liabilities	1,25,000	Bank	25,000
	75,000	Other Current Assets	3,25,000
	4,50,000		4,50,000

C Ltd. is to be absorbed by D Ltd. on following terms :

- a) D Ltd. to take over the assets (Excluding Bank) and the liabilities at 10% less than book values.
- b) The consideration is to be discharged by D Ltd. in the form of equity shares of ₹10 per share at a premium of ₹ 5 per shares.

Show ledger accounts in the books of C Ltd. and write the opening entries in the books of D Ltd.

9. Raja Ltd. and Huli Ltd. carrying on similar business decided to amalgamate and a new company Rajahuli Ltd. is to be formed to take over the assets and liabilities of both the companies and it is agreed that fully paid equity shares of ₹ 100 each shall be issued by the new company to the value of net assets of each of the old companies.

Liabilities	Raja Ltd.	Huli Ltd.	Assets	Raja Ltd.	Huli Ltd.
	₹	₹		₹	₹
Equity Shares of ₹ 50 each fully paid	1,00,000	80,000	Goodwill	10,000	4,000
General Reserve	40,000	–	Land and Building	34,000	20,000
P and L A/c	6,000	–	Machinery	48,000	32,000
Sundry creditors	8,000	16,000	Furniture	10,000	15,000
B/P	8,000	–	Stock	20,000	15,000
Bank over draft	–	16,000	Cash	16,000	14,000
			Debtors	24,000	11,400
			P and L A/c	–	600
	1,62,000	1,12,000		1,62,000	1,12,000

All tangible assets are taken over at book value and goodwill of Raja Ltd, is to be valued at ₹ 24,000 while that of Huli Ltd. is valueless.

Pass the journal entries in the books Rajahuli Ltd. and prepare Amalgamated Balance Sheet.



10. Given below is the balance sheet to Nayak Ltd. as on 31-03-22.

Liabilities	₹	Assets	₹
50,000, 8% Pref. Share capital (₹ 10 each)	5,00,000	Goodwill	10,00,000
50,000 Equity Shares of ₹ 10 each	5,00,000	Buildings	40,000
Sundry Creditors	1,80,000	Plant	50,000
BOD	2,00,000	Debtors	12,000
		Stock	2,20,000
		Preliminary Exp.	30,000
		P and L A/c	25,000
		Cash at Bank	3,000
	13,80,000		13,80,000

The following scheme of reconstruction was adopted :

- a) ₹ 10 preference shares were to be reduced to an equal number of fully paid shares of ₹ 8 each.
- b) ₹ 10 equity shares were to be reduced to an equal number of fully paid shares of ₹ 5 each.
- c) Creditors agreed to forego ₹ 80,000.
- d) The amount available was to be utilized to write down the nominal assets and the balance if any to be written off goodwill.

Pass journal entries and prepare the B/S after the reconstruction has been carried out.

11. The capital of the X Ltd., was as follows :

- 4,000 ordinary shares of ₹ 100 each fully paid.
- 3,000 ordinary shares of ₹ 100 each ₹ 80 per share paid up.
- 1,000 preference shares of ₹ 100 each fully paid.
- 1,500 deferred shares of ₹ 100 each ₹ 80 per share paid up.

The various creditors amounted to ₹ 1,00,000. This includes secured 'creditors worth ₹ 30,000. The liquidators remuneration worth ₹ 2,500. The liquidators made a call on the remaining ₹20/share on deferred shares which was paid in full. He also realized all the assets amounting to ₹ 1,91,000

A call of ₹ 15/share was made on the ordinary shares which were partly paid up. This was paid in full with the exception of that on 100 shares. Prepare the liquidators account showing the return to the share holders.