

**MASTER'S DEGREE (C.S.S) EXAMINATION, MARCH 2025**  
**2020, 2021, 2022, 2023 ADMISSIONS SUPPLEMENTARY**  
**M. COM SEMESTER II - CORE COURSE**  
**CO2C06TM20 - Advanced Corporate Accounting**

Time : 3 Hours

Maximum Weight : 30

## Part A

I. Answer any Eight questions. Each question carries 1 weight

(8x1=8)

1. Explain the treatment of final dividend and interim dividend in the accounts of holding companies.
2. Explain the concept of Capital Profits and Revenue Profits in Consolidation. What is Non-controlling Interest and how is it calculated?
3. From the following information, prepare the analysis and appropriation of reserves and surplus.

Particulars	H Ltd. (Rs.)	S Ltd. (Rs.)
Share Capital	25,00,000	6,00,000
General Reserve	3,60,000	1,20,000
Surplus	2,40,000	1,80,000

H Ltd. acquired 40,000 shares in S Ltd. The undistributed reserve balance being Rs. 1,00,000 on that date, none of which has been distributed since then.

4. List down the prescribed forms of accounts under Double Account System.
5. Explain the establishment process of Insolvency and Bankruptcy Code of India.
6. What are the principles governing registration of Insolvency Professional Agency?
7. What are the modes of winding up ? Also explain the circumstances in each case.
8. Calculate the remuneration payable to the liquidator from the following information: Amount available for distribution to unsecured Creditors before paying liquidator's remuneration- Rs. 6,12,000. Remuneration: 2% on the amount paid to unsecured creditors.
9. Explain Voyage Accounts. What are the items credited to Voyage Account?
10. Calculate the rent to be charged per day room from the following information for a Three Star Hotel if occupancy rate is (a) 100% and (b) 80%. Number of rooms available for occupancy = 50. Estimated total cost for April 2018- Rs. 12,00,000. Return expected- 50% on cost.

## Part B

II. Answer any Six questions. Each question carries 2 weight

(6x2=12)

11. From the following, calculate the Cost of Control and Minority Interest. (in Rupees)

	H Ltd.	S Ltd.		H Ltd.	S Ltd.
Share Capital (Rs. 100)	10,00,000	4,00,000	Land	3,10,000	1,60,000
10% Preference Capital (Rs. 100)	-	1,00,000	Machinery less 10% depreciation	2,70,000	1,35,000
General Reserve	1,00,000	50,000	3,000 shares in S Ltd.	4,50,000	-
Surplus (balance on 01.04.2018)	40,000	30,000	Stock	2,20,000	1,50,000

Profit for 2018-19	2,00,000	80,000	Debtors	1,55,000	90,000
Creditors	1,50,000	70,000	Cash	85,000	1,95,000
	<b>14,90,000</b>	<b>7,30,000</b>		<b>14,90,000</b>	<b>7,30,000</b>

1. H Ltd. acquired 3,000 equity shares in S Ltd. on 01.10.2018.

2. As on the date of acquisition, H Ltd. found the value of Land and Machinery of S Ltd. should be Rs. 1,50,000 and Rs. 1,92,500.

12. From the following, calculate the Cost of control and Minority Interest.(In Rupees)

	H Ltd.	S Ltd.		H Ltd.	S Ltd.
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
Surplus	1,00,000	25,000	Other Assets	4,40,000	1,43,000
Creditors	1,50,000	50,000	Shares in S Ltd. 800 @200 each	1,60,000	-
	<b>9,50,000</b>	<b>2,50,000</b>		<b>9,50,000</b>	<b>2,50,000</b>

Reserves and Surplus 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.

13. What are the advantages and criticisms of Double Account System?

14. From the following information, prepare Receipts and Expenditure on Capital Account.(in Rupees)

Particulars	Debit	Credit
Equity Shares		10,00,000
6% Preference Capital		6,00,000
7.5% Debentures		4,00,000
Lines open for traffic	17,04,000	
Lines in the course of construction	10,000	
Lines leased	40,000	
Working Stock(engines etc.)	2,60,000	
Lines jointly owned	1,00,000	
Land	25,000	
Securities Premium		55,000
Bank	10,000	
General Stores and Stocks	25,000	
Net Revenue		32,000
Traffic accounts due to Company	20,000	
Due from other Companies	5,000	
Sundry outstanding accounts	7,000	
Due to other Companies		4,000
Creditors		30,000
Fire Insurance Fund		5,000
General reserve		65,000

Superannuation Fund		15,000
<b>TOTAL</b>	22,06,000	22,06,000

During the year, there was an issue of Rs. 1,50,000, 6% Preference shares at par and this was fully subscribed. Equity shares of Rs. 2,00,000 were also issued at a premium of 10%. Expenditures made during the year on lines open for traffic Rs. 40,000, lines in the course of construction Rs. 3,000 and construction to lines jointly owned Rs. 20,000.

15. List down the functions of Insolvency and Bankruptcy Board of India.
16. List down the functions of Insolvency Professional Agencies.
17. A Ltd. went into voluntary liquidation with the following share capital: Class X- 4,000 shares of Rs. 100 each, Rs. 75 paid up. Class Y- 3,200 shares of Rs. 100 each, Rs. 60 paid up. Class Z- 2,800 shares of Rs. 100 each, Rs. 50 paid up. Amount available for equity shareholders- Rs. 1,22,000. Calculate the amount payable to/ receivable from equity shareholders. Also justify your answer.
18. What are the factors considered while fixing the room rates? On what basis are the room rates charged by the hotel on the guests?

### Part C

III. Answer any Two questions. Each question carries 5 weight

(2x5=10)

19. H Ltd. acquired 1,600 ordinary shares of S Ltd. of Rs. 100 each on 31.03.2019. Balance Sheets of H Ltd. and S Ltd. as on that date were as follows:

Particulars	H Ltd.(Rs.)	S Ltd.(Rs.)
Equity Share Capital	5,00,000	2,00,000
Capital Reserve	-	1,20,000
General Reserve	2,40,000	-
Surplus	57,200	36,000
Creditors	47,100	9,000
Bills Payable(including Rs. 4,000 to H Ltd.)	-	8,400
Bank Overdraft	80,000	-
<b>TOTAL</b>	<b>9,24,300</b>	<b>3,73,400</b>
Land	1,50,000	1,80,000
Plant and Machinery	2,40,000	1,09,400
Investments in S Ltd.at cost	3,40,000	-
Stock	1,20,000	36,000
Debtors	44,000	40,000
Bills Receivable (including Rs. 3,000 from H Ltd.)	15,800	-
Cash and Bank	14,500	8,000
<b>TOTAL</b>	<b>9,24,300</b>	<b>3,73,400</b>

- S Ltd. has made a bonus issue on 31.03.2019 of one equity share for every two shares held by its shareholders. Effect has yet to be given in the accounts for this issue.
- The directors are advised that Land of S Ltd. are undervalued by Rs. 20,000 and Plant and Machinery of S Ltd. overvalued by Rs. 10,000.
- Creditors of H Ltd. include Rs. 12,000 due to S Ltd.

Prepare Consolidated Balance Sheet as at 31.03.2019.

20. Explain the provisions relating to the accounts of Electricity Companies and the format of Financial Statements. What are the depreciation provisions as per Central Electricity Regulatory Commission Regulations, 2009?
21. A Ltd. went into liquidation with the following details: Assets realised- Rs. 7,00,000; liquidation expenses- Rs. 12,600; Creditors (including salaries of the staff Rs. 8,400)- Rs. 95,200. Share Capital consists of 7,000, 6% Preference shares of Rs. 30 each (one year dividend in arrears)- Rs. 2,10,000. 14,000 equity shares of Rs. 10 each, Rs. 9 called up and paid up- Rs. 1,26,000. Commission is 3% on assets realised and 2% on amount paid to shareholders. Under the Articles, arrears of preference dividend are payable and preference shareholders have the right to receive one third of the surplus remaining after repaying the equity capital. Show Liquidator's Final Statement of Account.
22. A Ltd. has Authorised Capital of Rs. 50,00,000 divided into 1,00,000 equity shares of Rs. 50 each. The Company issued for subscription 50,000 shares at a premium of Rs. 10 each. The entire issue was underwritten as follows: X- 30,000 shares (firm underwriting- 5,000 shares), Y- 15,000 shares (firm underwriting- 2,000 shares), Z- 5,000 shares (firm underwriting- 1,000 shares). Out of the total issue 45,000 shares including firm underwriting were subscribed. Following were the marked forms: X- 16,000; Y- 10,000; Z- 4,000 shares. Calculate the liability of each underwriter assuming: a) shares underwritten firm are treated as marked applications. b) shares underwritten are treated as unmarked applications.