

(i) Printed Pages : 4

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(ii) Questions : 10

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Master of Commerce 4th Semester

1048

Group—D

ACCOUNTING AND FINANCE

(Advanced Corporate Accounting)

(Same for USOL Candidates)

Paper—MC—413

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :— Attempt any **five** questions in all, selecting at least **one** question from each Unit. All questions carry equal marks.

UNIT—I

1. B Finance Ltd. held on 1st April, Rs. 1,00,000 of 12% units of Unit Trust of India (1994) at Rs. 95,000. Three months's interest had accrued as interest was receivable half yearly on 30th June and 31st December. All cheques for half yearly interest had been sent by Unit Trust of India in advance and hence bank could credit the finance company's account on the dates of interest themselves.

On 31st August 2014, the company purchased a further Rs. 40,000 of the units at Rs. 96 (net) cum interest. On 31st October 2014, Rs. 30,000 units were sold at Rs. 94 (net)

ex-interest. On 28th February 2015, Rs. 20,000 of the units were sold at Rs. 96 (net) cum interest.

On 31st March 2015, the market value of the units was Rs. 96. The face value of each unit was Rs. 100. Prepare the 12% Units account for the year ended 31st March 2015.

2. What is meant by acquisition of Business by a company ? What journal entries are passed in the books of purchaser company when new set of books of accounts are opened ?

UNIT—II

3. The Balance Sheet of A Ltd. as on 31st December, 20915 was as follows :

Liabilities	Rs.	Assets	Rs.
8,000 Shares of Rs. 100 each	8,00,000	Fixed Assets	14,30,000
6% Debentures	14,00,000	Stock in Trade	80,000
Accrued interest on above	70,000	Debtors	30,000
Trade Creditors	4,50,000	Investments	17,000
Income Tax due	10,000	Cash	1,03,000
		P & L	10,70,000
Total	27,30,000	Total	27,30,000

The following scheme of reorganization was approved and confirmed by the court :

- Each share shall be subdivided into 20 fully paid equity shares of Rs. 5 each.
- After sub division, each shareholder shall surrender in the company 95% of the holding for the purpose of reissue to debenture-holders and creditors so far as required and otherwise or cancellation.
- Of those surrendered, 46,000 shares of Rs. 5 each shall be converted into 8% participating preference shares of Rs. 5 each

- (iv) Debenture holders' total claim to be reduced to Rs. 2,30,000. This will be satisfied by the issue of 46,000 participating preference shares of Rs. 5 each fully paid up.
- (v) The liability of income tax is to be satisfied in full.
- (vi) The claim of unsecured creditors shall be reduced by 80% and the balance shall be satisfied by allotting them equity shares of Rs. 5 each fully paid from the shares surrendered.
- (vii) Shares surrendered and not issued shall be cancelled.

Journalise the various entries to be made, assuming that the tax liability is not paid.

- 4. (a) Distinguish between amalgamation in the nature of merger and amalgamation in the nature of purchase.
- (b) What is purchase consideration and how is it calculated ?
- 5. (a) Write the difference between internal and external

7. What is meant by goodwill ? Discuss its features. What are the factors affecting the value of goodwill of a company ?

UNIT—IV

8. Give the provisions of Ind AS 27 regarding definitions, scope, contents and Disclosure of Consolidated and Separate Financial Statements.
9. What is meant by mutual owings between the holding company and subsidiary company ? How are they treated while preparing a consolidated balance sheet ?
10. Explain the following :
- (a) Non controlling shareholder's Interest
 - (b) Goodwill on the acquisition of Business.