

(i) Printed Pages : 4

Roll No.

(ii) Questions : 10

Sub. Code :

3	8	5	8
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Exam. Code :

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Master of Commerce 4th Semester

(2054)

Group D : (Accounting and Finance)

ADVANCED CORPORATE ACCOUNTING

(Same for USOL Candidates)

Paper : MC-413

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :— (i) Attempt *five* questions in all, selecting at least *one* question from each Unit.

(ii) All questions carry equal marks.

(iii) Use of non-programmable calculator is allowed.

UNIT—I

1. What do you mean by profits prior to incorporation ? What is the nature of such profits ? How are they calculated and treated in the books of accounts ?
2. Jaipur Investment Ltd. holds 1,000 15% Debentures of 100 each in Udaipur Industries Ltd. as on 1st April 2021, at a cost of Rs. 1,05,000. Interest is payable on 30th June and 31st December each year. On 1st May, 2021, 500 Debentures are purchased-cum-interest at Rs. 53,500. On 1st November, 2021, 600 Debentures are sold ex-interest at Rs. 57,300. On 30th November, 2021, 400 Debentures are purchased ex-interest at Rs. 38,400. On 31st December, 2021, 400 debentures are sold cum-interest for Rs. 55,000.

Prepare Investment Account valuing holding on 31st March, 2022 at cost (applying FIFO method).

3. Describe the procedure of conversion of partnership into limited company. What are the various documents required for such conversion ?

UNIT—II

4. Explain the various provisions of capital reduction as given in the Companies Act, 2013.
5. Following are liabilities and assets of Y Ltd. as on 31st March, 2022 :

Liabilities	Rs.
Share Capital : Issued & Paid up :	
2,50,000 Equity Shares of Rs. 8 per share paid up	20,00,000
1,00,000, 10% Preference Shares of Rs. 10 each fully paid up	10,00,000
Reserves and Surplus :	
General Reserve	5,60,000
Workmen's Profit Sharing Fund	3,00,000
Surplus A/c	8,00,000
Current Liabilities : Creditors	4,00,000
	50,60,000
Assets	Rs.
Goodwill	8,00,000
Building	7,00,000
Plant and Machinery	13,00,000
Current Assets :	
Stock	7,00,000
Sundry Debtors	9,00,000
Bank Balance	6,60,000
	50,60,000

X Ltd decided to absorb the business of Y Ltd. at the respective book value of assets and trade liabilities except building which was valued at Rs. 12,00,000 and Plant and Machinery at Rs. 10,00,000.

The purchase consideration was payable as follows :

- (i) Payment of liquidation expenses Rs. 5,000 and workmen's profit sharing fund at 10% premium;
- (ii) Issue of equity shares of Rs. 100 each fully paid at Rs. 11 per share for every preference share and every equity share of Y Ltd., and a payment of Rs. 4 per equity share in cash.

Calculate the purchase consideration; show the necessary ledger accounts in the books of Y Ltd., and opening journal entries in the books of X Ltd.

UNIT—III

6. What is meant by Goodwill ? Discuss the various methods of calculating goodwill.
7. On the basis of following information, calculate the intrinsic value of an equity share :

	Rs.
5,000 6% Preference Shares of Rs. 100 each fully paid	5,00,000
30,000 Equity Shares of Rs. 10 each fully paid	3,00,000
Total Tangible Assets (other than goodwill)	9,49,000
Total Outside Liabilities	95,000
Average Net Profit after Tax	62,560
Expected normal yield for equity shares 7% of capital employed.	
Goodwill is to be taken at 5 years' purchase of super profit, if any.	

UNIT—IV

8. What is Holding Company ? How does a holding company come into existence ?
9. Liabilities and Assets of H.Ltd. and its subsidiary S. Ltd. as on 31st March, 2022 were as follows :

Liabilities	H.Ltd.	S. Ltd.
Share Capital :		
(Shares of Re. 1 each)	10,00,000	6,00,000
General Reserve	4,00,000	_____
Surplus Account	4,00,000	1,80,000
Creditors	2,00,000	2,20,000
	20,00,000	10,00,000
Assets	H.Ltd.	S. Ltd.
Sundry Assets	16,00,000	10,00,000
Investment in S. Ltd.		
(4,00,000 Shares)	4,00,000	_____
	20,00,000	10,00,000

The shares were purchased by H. Ltd. in S. Ltd. on 30th September 2021.

On 1st April 2021, Surplus account of S. Ltd, showed a loss of Rs. 3,00,000 which was written off out of the profits earned during the year. Profits were earned uniformly for the year 2021-22.

Prepare a consolidated Balance Sheet of H Ltd. and S Ltd. as on 31st March 2022 giving all workings.

10. Explain the following terms :

- (a) Minority Interest
- (b) Cost of Control
- (c) Mutual Owings
- (d) Capital Profits.

4×4=16