

24/11/24



K24P 3169

Reg. No. :

Name :



III Semester M.Com. Degree (CBCSS – OBE – Regular)

Examination, October 2024

(2023 Admission)

CMCOM 03C11 – ADVANCED CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any five** questions in this Section. **Each** question carries **3** marks.

1. What are the differences between Mergers and Acquisition ?
2. What is Non-Controlling Interest ? How is it calculated ?
3. How is goodwill treated in a business combination ?
4. State the important objectives of Ind AS 103.
5. Differentiate between 'Alteration of share capital' and 'Reduction of share capital'.
6. What is Corporate Restructuring ? State its importance. (5×3=15)

SECTION – B

Answer **any three** questions in this Section. **Each** question carries **5** marks.

7. Summarise the differences between Internal Reconstruction and External Reconstruction.
8. A company has an equity share capital of Rs. 10,00,000 consisting of 10,000 shares of Rs. 100 each. It is resolved :
 - a) To subdivide the shares into shares of Rs. 10 each
 - b) To ask their shareholders to surrender 50% of their shares.
 - c) To issue 60% of the surrendered shares to 15% of the debenture holders of Rs. 4,00,000 in full settlement of their claims.
 - d) To cancel the unissued surrendered shares.

Give entries in the company's books.

P.T.O.



9. On 31st March 2020, a Bank held the following bills, discounted by it earlier :

Date of the Bills	Terms of bills	Discounted Rate	Amount of Bill (Rs.)
January 17	4 months	10%	5,30,000
February 7	3 months	9%	6,40,000
March 9	3 months	11%	2,80,000

You are required to calculate the rebate on bills discounted. Also, show the necessary journal entry for the rebate.

10. Distinguish between the Pooling of Interest method and the Purchase method.
11. Tabulate the differences between a Holding Company and a Subsidiary Company. (3×5=15)

SECTION – C

Answer **any three** questions in this Section. **Each** question carries **10** marks.

12. Give the meaning of Life Insurance. Categorise the different forms of Life Insurance.
13. Define Purchase Consideration. Elaborate on different methods of ascertaining it.
14. Define Mergers. Describe in detail its objectives and types.
15. The following are the extracts from the Balance Sheet of H Ltd. and S Ltd. as of 31st December 2019.

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)	Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Share capital (Rs. 10 each)	5,00,000	1,00,000	Fixed Assets	4,00,000	60,000
Profit and Loss A/c	2,00,000	60,000	Stock	3,00,000	1,20,000
Reserves	60,000	30,000	Debtors	75,000	70,000
Creditors	90,000	60,000	7500 shares in S Ltd. at cost	75,000	—
	8,50,000	2,50,000		8,50,000	2,50,000

The stock of H Ltd. includes Rs. 25,000 bought from S Ltd. at a profit to latter of 20% on sales. All the profits of S Ltd. has been earned since the shares were acquired by H Ltd., but there was already a reserve of Rs. 30,000 at that date.

Prepare the Consolidated Balance Sheet.



16. The following are the Trial Balance of Indian Bank Ltd. as of 31-03-2020.

	Debit (Rs.)	Credit (Rs.)
Share capital 25,000 equity shares of Rs. 20 each	—	5,00,000
Reserve fund	—	2,00,000
Loans and advances	23,85,000	—
Premises	60,000	—
Reserve fund investment	2,00,000	—
Investment in Government securities	1,60,000	—
Current and other deposits	—	20,80,000
Salaries	60,000	—
General expenses	32,000	—
Rent, Rates and Taxes	3,000	—
Directors fees	20,000	—
Profit and Loss Account as on 1-1-2020	—	35,000
Interest and discounts	—	3,12,000
Money at call and short notice	80,000	—
Income tax paid	26,000	—
Bills discounted	36,000	—
Interim dividend paid	25,000	—
Cash in hand with RBI	40,000	—
	31,27,000	31,27,000

Adjustments :

- Interest accrued on Investment Rs. 22,000.
- The market value of Government securities is Rs. 1,50,000 and provision is to be made.
- Authorised capital of 50,000 shares of Rs. 20 each.

Prepare Profit and Loss Account and Balance Sheet as of 31-03-2020. (3×10=30)