

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **23PCO101**

DURING THE ACADEMIC YEAR 2023-2025 ONLY)

REG.NO.

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2023

M.Com

MAXIMUM MARKS: 75

SEMESTER: I

TIME : 3 HOURS

ADVANCED CORPORATE ACCOUNTING

SECTION – A (10X1=10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

(K1)

1. Which is denoted as Rebate on bills discounted ?
 - a) Income received in advance
 - b) A liability
 - c) An item of income
 - d) Income outstanding
2. Which type of insurance is common in double insurance?
 - a) Health insurance
 - b) Life insurance
 - c) Fire insurance
 - d) Marine insurance
3. Unrealized profit on goods sold and included in stock are deducted from _____
 - a) Fixed assets
 - b) Capital assets
 - c) Revenue profit
 - d) Minority profit
4. The Historical Cost Approach of human resource accounting is given by
 - a) Giles and Robinson
 - b) Brumment, Flamholtz and Pyle
 - c) Hekimian and Jones
 - d) Roger H.Hermanson
5. In which accounting standard the Extraordinary items are dealt with :
 - a) AS 1
 - b) AS 2
 - c) AS 5
 - d) AS 10

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. What is a banking company?
7. What is the purpose of valuation of balance sheet?
8. How do you calculate cost of control?
9. What is the accounting for price level changes?
10. What is financial reporting?

(CONTD 2)

SECTION – B**(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.****(K3)**

11. a) The Trial Balance of the Nedungadi Bank Ltd., as on 30th June 1984 shows the following balances.

	Rs.
Interest and discount	45,40,600
Rebate on bills discounted(1.7.83)	4,750
Bills discounted and purchased	3,37,400

The unexpired discount as on 30.6.84 is estimated to be Rs.5,560. Draft necessary adjusted entries and calculate the amount of interest and discount to be credited to profit and loss account.

(OR)

- b) What is the role of human resource accounting?
12. a) The Life fund of a Life Insurance Company on 31.3.2006 showed a balance of Rs. 54,00,000. However, the following items were not taken into account while preparing the Revenue A/c for 2005-06:

	Rs.
Interest and dividends accrued on investments	20,000
Income tax deducted at source on the above	6,000
Reinsurance claims recoverable	7,000

Commission due on reinsurance premium paid	10,000
Bonus in reduction of premiums	3,000

(OR)

- b) Distinguish between general insurance and life insurance
13. a) H Ltd. holds 7,500 shares of S Ltd. Total shares of S Ltd. are 10,000 of Rs.10 each. General Reserve and Profit & Loss balance of S Ltd are Rs.35,000 & Rs. 27,500 respectively out of which 40% relates to the post-acquisition period. Find the Minority Interest ?

(OR)**(CONTD 3)**

b) Following are the balances of S Ltd. on 31.3.2019:

- i) General Reserve Rs 1,75,000
- ii) Profit & Loss Account Rs. 3,50,000

H Ltd. acquired 60 per cent shares on 30th June 2018. Balances of general reserve and profit and loss account on 1.4.2018 of S Ltd. Were Rs. 25,000 and Rs. 1,25,000 respectively. What will be the profit of Share of H Ltd. in post acquisition?

14. a) From the following information, calculate the cost of sales adjustment under CCA method:

Particulars	Historical cost	Index for goods
Opening stock	4,00,000	200
Purchases	14,40,000	240(average)
	18,40,000	
Less: closing stock	6,72,000	280
Cost of sales	11,68,000	

(OR)

b) Define social responsibility of accounting and state its objectives.

15. a) State the objectives of financial reporting.

(OR)

b) Briefly explain Fixed Assets under AS 10?

SECTION – C (5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(K4 (Or) K5)

16. a) From the following information relating to Lakshmi Bank Ltd., prepare the Profit & Loss A/c for the year ended 31st December, 2017.]

	Rs.		Rs.
Rent received	72,000	Salaries and allowances	2,18,800
Exchange and commission	32,800	Postage	5,600
Interest on fixed deposits	11,00,000	Sundry charges	4,000
Interest on savings bank A/cs	2,72,000	Director's & Auditor's fees	16,800
Interest on overdrafts	2,16,000	Printing	8,000
Discount on bills discounted	7,80,000	Law charges	3,600
Interest on current accounts	1,68,000	Locker rent	1,400
Interest on cash credits	8,92,000	Transfer fees	2,800
Depreciation on bank property	20,000	Interest on loans	10,36,000

(CONTD 4)

(OR)

- b) On 31st December 2016. The following balances stood in the books of Asian Bank Ltd., after preparation of its profit and Loss Account.

Share capital:	Rs. (in '000)
Issued and subscribed	4,000
Reserve fund (under section 17)	6,200
Fixed deposits	42,600
Savings bank deposits	19,000
Current accounts	23,200
Money at call and short notice	1,800
Investments	25,000
Profit and Loss Account (cr) 1st Jan 2016	1,350
Dividend for 2015	400
Premises	2,950
Cash in hand	380
Cash with RBI	10,000
Cash with other banks	6000
Bills discounted and purchased	3,800
Loans, cash credits and over drafts	51,000
Bills payable	70
Unclaimed dividend	60
Rebate on bills discounted	50
Short loans (borrowing from other banks)	4,750
Furniture	1,164
Other assets	336
Net profit for 1986	1,550

Prepare balance sheet of the bank as on 31st December 2016.

17. a) From the following, you are required to calculate the loss on account of account of claims to be shown in the revenue account for the year ending 31.3.2006

(CONTD 5)

Intimated in	Admitted in	Paid in	Rs.
2004-05	2004-05	2005-06	45,000
2005-06	2005-06	2006-07	30,000
2003-04	2004-05	2004-05	15,000
2003-04	2004-05	2005-06	36,000
2005-06	2006-07	2006-07	24,000
2005-06	2005-06	2005-06	3,06,000

Claim on account of reinsurance was Rs.75,000.

(OR)

- b) From the following figures appearing in the books of fire insurance division of a general company, show the amount of claim as it would appear in revenue account, by preparing schedule 2, claim incurred.

	Direct business Rs.	Re-insurance Rs.
Claims paid during 2005-06	4,670	700
Claims payable- 1-4-2005	763	87
31-3-2006	812	53
Claims received	-	230
Claims receivable-1-4-2005	-	65
31-3-2006	-	113
Expenses of management(Includes Rs.35,000 surveyors fees and Rs.45,000 legal expenses for settlement of claims)	230	

18. a) The Balance Sheets of C Ltd. and D Ltd. as at 31st December, 1986 are as follows:

Liabilities	C Ltd (Rs.)	D Ltd. (Rs.)	Assets	C Ltd. (Rs)	D Ltd. (Rs)
Share capital (in shares of Rs. 10 each)	2,00,000	1,00,000	Sundry assets	1,32,500	1,38,200
General reserve	18,000	20,000	Goodwill	-	20,000
Profit & Loss A/c	24,500	23,000	Shares in D Ltd. at cost	1,40,000	-
Creditors	30,000	15,200			
	2,72,500	1,58,000		2,72,500	1,58,200

(CONTD 6)

In the case of 'D' Ltd., profit for the year ended 31st December 1986 is Rs. 12,000 and transfer to reserve is Rs. 5,000. The holding of C Ltd. in D Ltd. is 90% acquired on 30th June 1986. Draft a consolidated Balance Sheet of 'C' Ltd. and its subsidiary.

(OR)

- b) From the following Balance Sheet relating to H Ltd. and S Ltd. prepare a consolidated Balance Sheet. Balance Sheet as on 31.12.1992

Liabilities	HLtd. Rs.	S Ltd. Rs.	Assets	HLtd. Rs.	S Ltd. Rs.
Share capital (Shares of Rs.10 each)	10,00,000	2,00,000	Sundry fixed assets	8,00,000	1,20,000
Profit and Loss A/c	4,00,000	1,20,000	Stock	6,10,000	2,40,000
Reserves	1,00,000	60,000	Debtors	1,30,000	1,70,000
Creditors	2,00,000	1,20,000	Bills receivable		
Bills payable	-	30,000	Shares in 'S Ltd.' At cost (15,000 shares)	1,50,000	
	17,00,000	5,30,000		17,00,000	5,30,000

- a) All profits of S Ltd. have been earned after the shares were acquired by H Ltd. there was already a reserve of Rs. 60,000 on that date.
- (b) All the bills payable of S Ltd. were accepted in favour of H Ltd. The stock of H Ltd. includes Rs. 50,000 purchased from S Ltd. The profit
- (c) The stock of H Ltd. includes Rs. 50,000 purchased from S Ltd. The profit added was 25% on cost.

19. a) The following details are taken from the Balance Sheets of Suraj Ltd.

	As on 31-3-2003	As on 31-3-2004
Inventories	8,00,000	10,00,000
Book debts	2,00,000	3,30,000
Cash at Bank	80,000	90,000
Advances to suppliers of materials	80,000	60,000
Trade creditors	1,20,000	1,40,000

During the year 2003-04, material prices rose by 20% and those of Finished goods by 10%

Calculate the Monetary working capital adjustment (MWCA) to be made under CCA system.

(CONTD 7)

(OR)

- b) Explain various methods of valuation of human resources.
20. a) How do you deal with “leases” in the financial statements of lessee and lessor as per AS 19 ?

(OR)

- b) XYZ Ltd. has supplied the following information relating to its staff community and general public benefits for the year 2003-04:

	Rs.
Tax paid to State Govt.	4,994
Tax paid to Central Govt	10,346
Local tax paid	32
Generation of business	1,049
Medical facilities	196
Educational facilities	60
Training and career development	34
Extra hours put in by officers voluntarily	35
Increase in cost of living in the vicinity on account of cement plant	500
State services consumed: Electricity services	3,921
Central service consumed : Telephone Telegrams etc.	413
Provident fund, bonus, insurance benefits	363

You are required to prepare social income statement.
