

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **24PCO101**

DURING THE ACADEMIC YEAR 2024-26 ONLY)

REG.NO.

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

**END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2024**

**M.Com.**

**MAXIMUM MARKS: 75**

**SEMESTER: I**

**TIME : 3 HOURS**

**ADVANCED CORPORATE ACCOUNTING**

**SECTION – A**

**(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**(K1)**

1. Which of the following is not typically included in Human Resource Accounting (HRA) reports?
  - a) Cost of training and development.
  - b) Employee turnover rates and associated costs.
  - c) Valuation of employees as assets.
  - d) Detailed financial statements including balance sheet and profit and loss account.
2. What is the primary purpose of the "Life Fund" in a life insurance company?
  - a) To cover administrative expenses
  - b) To invest in short-term securities
  - c) To meet future policyholder claims and benefits
  - d) To provide dividends to shareholders
3. When preparing consolidated financial statements, what is typically eliminated during the consolidation process?
  - a) Intercompany dividends paid
  - b) Intercompany loans and receivables
  - c) Subsidiary's individual revenues
  - d) Parent company's equity investments
4. Which method is used to account for the valuation of assets and liabilities when there is no active market for them?
  - a) Historical Cost Method
  - b) Fair Value through Profit or Loss Method
  - c) Amortized Cost Method
  - d) Cost Model Method
5. Which of the following financial statements provides information about the profitability of a company over a period?
  - a) The Balance Sheet
  - b) The Statement of Cash Flows
  - c) The Statement of Changes in Equity
  - d) The Income Statement

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.**

**(K2)**

6. What is meant by Human Resource Accounting?
7. Write a brief note on 'Surrender Value'
8. Specify the term 'Minority Interest'
9. Recall the term Current Purchasing Power
10. State the importances of 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) From the following information, find out the amount of provision to be shown in the Profit and Loss Account of a commercial bank

<b>Assets</b>	<b>(Rs) In lakhs</b>
Standard	Rs. 8,000
Sub-Standard	Rs. 6,000
Doubtful	
For One Year	Rs. 1,000
For Three Years	Rs. 1,600
For More than 3 years	Rs. 400
Loss Assets	Rs. 1,200

**(OR)**

- b) From the following balances prepare single column P & L a/c of Lakshmi Bank Ltd., for the year ending 31-12-2002

	Rs. In '000
Interest on Cash Credits and Loans	Rs.1,790
Interest on Deposits	Rs. 620
Administrative Expenses	Rs. 480
Discount	Rs. 210
Commission and Exchange	Rs. 300
Rebate on Bills Discounted 01-01-2002	Rs. 90

Determine the profit after making a provision for Rebate on Bills Discounted  
Rs. 2,90,000

12. a) From the following particulars of an insurance company, ascertain the amount of claims chargeable to Revenue Account and Claims Outstanding for the year ended 31<sup>st</sup> March 2006.

<b>Intimated In</b>	<b>Admitted In</b>	<b>Paid In</b>	<b>Amount (Rs.)</b>
2004 – 05	2004 – 05	2005 - 06	1,36,000
2004 – 05	2005 – 06	2006 - 07	1,20,000
2004 – 05	2006 – 07	2006 - 07	80,000
2005 – 06	2005 – 06	2005 - 06	4,00,000
2005 – 06	2005 – 06	2006 - 07	2,20,000
2005 – 06	2006 – 07	2006 - 07	1,44,000

**(CONTD .... 3)**

(OR)

- b) The revenue account of a Life Insurance Company shows the Life Insurance Fund on 31.03.2006 at Rs.48,78,000 before taking into account the following items
- Claims intimated but not admitted Rs. 65,500
  - Bonus utilized for reduction of life insurance premium Rs.6,500
  - Interest accrued on Securities Rs. 19,500
  - Outstanding Premiums Rs.18,000
  - Claims covered under reinsurance Rs. 27,000

Pass the entries giving the effect to the above adjustments and show the life fund at the end of the year 2005-2006 after making the above adjustments

13. a) On 31.12.2003, 'X' Ltd. Acquired 80% of equity shares of 'Y' Ltd.,. The P&L a/c and general reserve balances as per balance sheet of 'Y' Ltd., prepared on 31.12.2003 amounting to Rs. 6,80,000 and Rs. 1,44,000 respectively. On the date of acquisition of shares 'Y' Ltd., were revalued and the gain of Rs.1,20,000 was found out. Calculate capital profits and revenue profits.

(OR)

- b) 'H' Ltd., purchase 16000 out of 20000 shares of Rs. 10 each in 'S' Ltd., for rupees 2,80,000. On the date of purchase of shares 'S' Ltd., had reserve of Rs. 60,000. Rs. 80,000 has been earned by 'S' Ltd., after the purchase of shares. 'S' Ltd., decided to issue bonus shares out of revenue profit in the ratio of 2 shares for every 5 shares held. Calculate the cost of control after the issue of bonus shares.

14. a) The following information is given to you regarding Kumar Ltd., for the financial year ended 31.3.2007.

Particulars	1.4.2006	31.3.2007
Monetary Assets	80,000	80,000
Monetary Liabilities	1,00,000	1,00,000
Retail price index	200	300

Ascertain gain or loss on monetary items

(OR)

- b) A truck dealer acquired 6 trucks on 1.7.2007 at Rs. 2,00,000 each. His capital on the date was Rs. 12,00,000. During the year he sold 4 trucks at an average price of Rs. 3,00,000. The replacement dealer price of the truck on 31.12.2007 was Rs. 2,40,000. General Price Level went up by 10% during the year.

You are required to show the Comparative income statement under HCA, CPP AND CCA methods, clearly showing the realized and unrealized holding gains.

(CONTD .... 4)

15. a) List the key provisions related to CSR under the companies Act, 2013
- (OR)**
- b) Examine the Various challenges a company might face in accurately disclosing CSR expenditure in its financial statements

**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, prepare Profit and Loss Account of ABC Bank Ltd. for the year ended on 31<sup>st</sup> Dec 2002 in the prescribed form.

(Rs. In Thousands)

Interest on loans	2,590	Interest on fixed deposits	2,750
Rebate on bills discounted	490	Commission	82
Establishment	540	Discount on bills discounted (net)	1,460
Interest on cash credit	2,230	Interest on current accounts	420
Rent & taxes	180	Interest on overdrafts	1,540
Director's fees	30	Auditor's fee	12
Interest on saving bank deposits	680	Postage and telegrams	14
Printing and stationery	29	Sundry charges	17

Bad debts to be written off amounted to Rs.4,00,000. Provisions for taxation may be made @ 55%.

**(OR)**

- b) The Trial Balance of the Nedungadi Bank Ltd., as on 30<sup>th</sup> June 2004 shows the following balances

Interest and Discount	Rs. 45,40,600
Rebate on bills Discounted (1.7.04)	Rs. 4,750
Bills Discounted and Purchased	Rs. 3,37,400

The unexpired discount as on 30.06.2004 is estimated to be Rs.5,560. Draft necessary adjusting entries and calculate the amount of interest and discount to be credited to Profit and Loss Account.

17. a) From the following balances extracted from the books of the LIC as at 31.03.06, prepare a Revenue A/c for the year ending 31.3.2006 in the prescribed form:

**(CONTD .... 5)**

Particulars	Rs. (in'000)	Particulars	Rs. (in'000)
Claims by death	1,42,000	Life Assurance fund (1.4.05)	30,45,000
Claims by maturity	70,200	Premiums	14,12,000
Consideration for annuities granted	1,64,000	Annuities paid	1,06,900
Bonus paid in cash	4,800	Expenses on management	63,800
Commission	19,140	Interest & Dividend and rents	1,95,700
Surrenders	26,300	Bonus in reduction of premium	1,800
Dividends paid to shareholders	9,000	Claims outstanding (1.4.05)	22,000
Claims outstanding (31.3.06)	16,000		

(OR)

- b) Life fund of a life assurance company was Rs. 86,48,000 as on 31.3.2006. The interim bonus paid during the inter valuation period was Rs. 1,48,000. The periodical actuarial valuation determined the net liability at Rs. 74,25,000. Surplus brought forward from the previous valuation was Rs. 8,50,000. The directors of the company proposed to carry forward Rs. 9,31,000 and to divide the balance between the shareholders and the policy holders in the ratio of 1;10.

Show (i) The valuation Balance sheet

(ii) The net profit for the valuation period

(iii) The distribution of surplus

18. a) The Balance Sheet of H Ltd and S Ltd., as on 31.3.1990 were as follows:

Liabilities	H Ltd Rs.	S Ltd Rs.	Assets	H Ltd Rs.	S Ltd Rs.
Share Capital: (10% Pref. shares of Rs. 100 each)	Nil	1,00,000	Land & Buildings	3,10,000	1,60,000
Equity Shares of Rs. 100 each	10,00,000	4,00,000	Machinery less 10% depreciation	2,70,000	1,35,000
General Reserve	1,00,000	50,000	3000 shares in S Ltd	4,50,000	Nil
P & L a/c balance On 1.1.90	40,000	30,000	Stock at cost	2,20,000	1,50,000
Profit for 1990	2,00,000	80,000	Debtors	1,55,000	90,000
Creditors	1,50,000	70,000	Cash and Bank Balance	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>

'H' Ltd., acquired Rs. 3,000 equity shares in 'S' Ltd., on July 1<sup>st</sup> 1990. As on the date of acquisition 'H' Ltd., found that the value of Land and Buildings and Machinery of 'S' Ltd., should be Rs. 1,50,000 and Rs. 1,92,500 respectively.

Prepare the Consolidated Balance Sheet of 'H' Ltd. and its subsidiary 'S' Ltd. showing the assets at their proper values

(CONTD ....6)

(OR)

b) Balance sheet as on 31.12.2000

Liabilities	H	S	Assets	H	S
Share capital of Re.1 each	10,000	5,000	Sundry assets 5000 shares in S Ltd.	16,000	10,000
Reserves	5,000	-		6,000	--
Creditors	3,000	3,200			
Profit and Loss	4,000	1,800			
	<b>22,000</b>	<b>10,000</b>		<b>22,000</b>	<b>10,000</b>

Shares of S Ltd., were purchased by H ltd. On 30<sup>th</sup> June 2000. On 1<sup>st</sup> January 2000 the balance sheet of S ltd. showed a loss of Rs.3,000. Prepare the consolidated Balance Sheet of 'H' Ltd.

19. a) Ascertain net monetary result or General Price Level Gain or Loss from the following

	Beginning Year 2012 (Rs.)	End of the Year (Rs.)
Cash & Bank	60,000	88,000
Accounts Receivable	80,000	1,00,000
Accounts Payable	1,00,000	1,24,000

**General Retail Price Index Number**

Beginning Year Index number	100
End of the Year Index Number	125
Average Index Number for the Year	120

(OR)

b) Compute the net monetary results of Baskar Ltd as on 31.12.2013. The relevant data are given below:

Particulars	01.01.2013	31.12.2013
Cash	20,000	20,000
Book debts	31,000	35,000
Creditors	40,000	45,000
Loan	20,000	25,000

General Retail Price Index Number on 1.1.2013 = 300

General Retail Price Index Number on 31.12.2013 = 400

Average Retail Price Index Number = 250

20. a) Enumerate in detail the characteristics of a good financial report

(OR)

b) Give a brief account of Indian Accounting Standards (i) AS-5 (ii) AS-10