

Registration Number:

Date & Session3-12-2022 (9AM)

**ST JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

**B.com– III SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**BC3122 – CORPORATE ACCOUNTING 2**

**Time: 2 Hours Max Marks: 60**

**This paper contains THREE printed pages and four parts**

**PART-A**

**Answer any 5 questions (5\*3=15 marks)**

1. What is common control business combination?

2.If assets of a company are 3,00,000,liabilities are 1,00,000 and Purchase consideration is 1,00,000,calculate goodwill/bargain purchase and pass the acquisition entry.

3.If creditors of Rs,50,000 are issued equity shares worth Rs.20,000 in part settlement, pass the necessary journal entry at the time of internal reconstruction.

4.What are consolidated financial statements? State the steps in the preparation of consolidated financial statements.

5.State the types of voluntary winding up of companies.

6. Identify the reasons for internal reconstruction.

**PART-B**

**Answer any 2 questions (2\*5=10 marks)**

7.Given below is the Balance sheet of N Ltd.

|  |  |
| --- | --- |
| Assets | Amount (Rs.) |
| Goodwill | 37,500 |
| Buildings | 66,500 |
| Plant | 5,000 |
| Debtors | 1,200 |
| Stock | 22,000 |
| Preliminary expenses | 3,000 |
| Profit and Loss (Dr. balance) | 2,500 |
| Cash | 300 |
| TOTAL | 1,38,000 |
| Equities and Liabilities | Amount (Rs) |
| 5,000 8% Preference shares of Rs.10 each | 50,000 |
| 5000 equity shares of Rs.10 each | 50,000 |
| Creditors | 18,000 |
| Bank Overdraft | 20,000 |
| TOTAL | 1,38,000 |

The following scheme of reconstruction was adopted:

1. Rs.10 Preference shares were reduced to an equal number of fully paid shares of Rs.8 each
2. Equity shares were reduced to an equal number of shares of Rs.5 each
3. Creditors agree to forego Rs.8,000

Pass necessary journal entries.

8. A Ltd acquires 60% control over B.Ltd for Rs.8,00,000 in cash. The assets of B.Ltd are 15,00,000 and the liabilities are 4,00,000.According to IND-AS 103,calculate the value of non-controllable interest as per:

a. Fair Value Method based on purchase consideration.

b. Proportionate Net Asset Method.

Also pass the necessary journal entries in each case.

9.What are the grounds for Compulsory winding up of a company?

**PART-C**

**Answer any 2 questions (2\*10=20marks)**

10.The following is the Balance sheet of J.Ltd.

|  |  |
| --- | --- |
| **Assets** | **Amount (Rs.)** |
| Fixed assets | 8,00,000 |
| Investments | 2,00,000 |
| Stock | 80,000 |
| Debtors | 1,20,000 |
| Bank | 4,00,000 |
| **TOTAL** | **16,00,000** |
| **Equity and liabilities** | **Amount (Rs.)** |
| Equity share capital | 4,00,000 |
| 20,000 8% redeemable preference share of 10 each | 2,00,000 |
| 40,000 7% redeemable preference share of 10 each,5 paid | 2,00,000 |
| Securities premium | 1,60,000 |
| General reserve | 1,20,000 |
| Capital reserve | 1,40,000 |
| P/L a/c | 1,80,000 |
| Current Liabilities | 2,00,000 |
| **TOTAL** | **16,00,000** |

The company decides to redeem both the preference shares at a premium of 10%.It issued 50,000 equity shares of 10 each at a premium of 5% for this. Pass the necessary entries and prepare the Balance sheet after redemption.

11.The Balance Sheets of H Ltd and its Subsidiary as on 31.3.2020 were as follows:

|  |  |  |
| --- | --- | --- |
| **Particulars** | **HLTD** | **SLTD** |
| Equity and liabilities |  |  |
| Equity shares of 10 each | 2,00,000 | 1,00,000 |
| General Reserve | 10,000 | 15,000 |
| Bank loan | - | 12,000 |
| P/L account | 5000 | 4,500 |
| creditors | 40,000 | 20,000 |
| Bills Payable | 2000 | 1000 |
| **TOTAL** | **2,57,000** | **1,52,500** |
| Assets |  |  |
| Machinery | 60,000 | 45,000 |
| Furniture | 2,000 | 4,000 |
| Shares in S Ltd | 98,000 |  |
| Stock | 42,000 | 65,000 |
| Debtors | 18,000 | 27,000 |
| Receivables | 1000 | 1500 |
| Cash | 36,000 | 10,000 |
| **TOTAL** | **2,57,000** | **1,52,500** |

On 1st April 2019,H Ltd acquired 8000 shares in S Ltd. The reserves on the date of acquisition stood at Rs.5000 whereas the P/L stood at Rs.1500.If NCI is calculated on the proportionate method, prepare the consolidated financial statement.

12.Explain the different methods of internal reconstruction.

**PART-D**

**COMPULSORY QUESTION (1\*15=15 marks)**

13. Zion Company Ltd. Went into voluntary liquidation on 31.3.2021 and the following information are available regarding the position of the company:

* 2000 Preference shares of ₹100 each
* 5000 Equity shares of ₹100 each, ₹ 90 paid up
* Fixed assets realized ₹ 1,80,000 and Current assets realized ₹ 1,00,000
* The Liquidator called on the Equity shareholders to pay ₹10 which was duly paid except on 200 shares which was irrecoverable
* Cost of liquidation ₹16,500
* Preferential creditors ₹ 10,000
* Secured creditors ₹ 10,000 and Unsecured creditors ₹ 60,000
* Liquidator’s remuneration is 11% on amount paid to creditors.

Prepare Liquidator’s Final Statement of Account and calculate per share capital repayment of Equity shareholders.

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