Q.P. Code: 32421

Fourth Semester B.Com. Degree Examination, May/June, 2026

(NEP Scheme)

COMMERCE

(NCD 0210) Advanced Corporate Accounting

Time : 2 Hours Max. Marks : 60

Instructions to students:

1. **The students should legibly write section number along with question numbers.**
2. **The answers without section number and question numbers will not be valued.**
3. **Section - I Multiple choice questions should be answered in the first page of main answer book and some questions shall not be answered repeatedly.**
4. **Any identifications like marking, ticking, dots etc., in the options of MCQ Questions (Section-I) on the question paper is strictly prohibited. Do not write anything (except register number) on the question paper.**
5. **Ordinary calculator may be used.**

SECTION - I

I. Write the most appropriate answer from the options provided. ONE mark each. **(10x1=10)**

I-1. If there is any balance in the Capital Reduction A/C after writing off all the accumulated losses, then the same is transferred to _____

a) Share Capital A/C c) Profit and Loss A/C
b) Capital Reserve A/C d) Shareholders A/C

I-2. As per AS-14 Purchase consideration is payable by

a) Banks b) Creditors c) Shareholders d) Debenture holders

I-3. For writing off the accumulated losses under the scheme of capital reduction, we debit:____

a) Capital Reduction A/c. c) Accumulated Losses A/c.
b) Capital Reserve A/c. d) Profit & Loss A/c.

I-4. Which method of Human Resource Accounting states that only scarce people should comprise the value of human resources?

a) Opportunity Cost c) Replacement Cost
b) Historical Cost d) Economic Value Cost

I-5. Zero Co. the balance sheet shows Fixed Assets of ₹ 3,60,000. At the time of absorption, the calculation of net assets is 10% less than the market value, then the market value of fixed assets is _____

a) ₹ 3,24,000 b) ₹ 4,00,000 c) ₹ 3,96,000 d) ₹ 4,20,000

I-6. If Shares having Face Value ₹ 100 were paid up ₹ 70, the B List Contributory can be called up to pay _____

a) Maximum of ₹ 30 only
c) Maximum of ₹ 70 only
b) Maximum of ₹ 100 only
d) Maximum of ₹ 50 only

I-7. Himanshi Ltd.'s purchase consideration is ₹ 22,345 and Net Assets ₹ 6,568, then ____

a) Capital Reserve ₹ 15,777
c) Goodwill ₹ 15,777
b) Capital Reserve ₹ 28,913
d) Goodwill ₹ 28,913

I-8. If a Company decides to reduce ₹ 3 per share on its 70,000 equity shares of ₹ 10 each fully paid. Then the amount transferred to Capital Reduction is _____

a) ₹ 2,10,000 b) ₹ 73,000 c) ₹ 4,90,000 d) ₹ 21,000

I-9. S Ltd. issued 2,000 10% Preference Shares of ₹ 100 each as par on 1.4.2023, which are redeemable at a premium of 10%. For redemption, the company issued 1,500 Equity Shares of Rs. 100 each at a premium of 20% per share. At the time of redemption of Preference Shares, the amount to be transferred by the company to the Capital Redemption Reserve Account?

a) ₹ 30,000 b) ₹ 20,000 c) ₹ 80,000 d) ₹ 50,000

I-10. N Ltd. purchased fixed assets of ₹ 28,80,000. The consideration was paid by the issue of 12% preference shares of ₹100 each at 20% premium. No. of preference to be issued _____

a) 32,000 preference shares
c) 36,000 preference shares
b) 28,800 preference shares
d) 24,000 preference shares

SECTION - II

II. Answer any FIVE of the following, THREE marks each. (5x3=15)

II-1. What is meant by 'Purchase Consideration'?

II-2. What is Capital Redemption Reserve?

II-3. State any three advantages of Human Resource Accounting.

II-4. Calculate the amount available to 'Equity Shareholders' after charging 2% of commission to the liquidator. Before the commission is charged, the amount available to Shareholders is ₹ 21,16,500.

II-5. Kushi Ltd. is taken over by Putti Ltd. on the following terms.

The Assets and Liabilities of Kushi Ltd. shall be valued at Rs. 30,00,000 and Rs. 8,00,000, respectively.

Rs. 50,000 shall be paid in cash, and the balance of consideration shall be discharged by the issue of equity shares of Rs. 10 each at 50% premium and 40,000 8% Preference shares of Rs. 20 each. Show the calculation of Purchase Consideration and also state the number of shares issued to the shareholders of Kushi Ltd.

II-6. Bharadwaj Ltd., with a share capital of 1,00,000 Equity Shares of ₹ 10 each, fully paid, decides to repay the shareholders ₹ 2 per share, and 1,00,000 Preference Shares of ₹ 10 each are reduced to fully paid shares of ₹ 6 each. Journalize the transaction.

II-7. Hinduja Company Ltd. had 5,000, 8% Redeemable Preference Shares of 100 each, fully paid up. The company decided to redeem these preference shares at par by the issue of a sufficient number of equity shares of ₹ 10, each fully paid up at par. You are required to pass necessary Journal Entries, including cash transactions, in the books of the company.

II-8. The following particulars relate to a limited company that has gone into voluntary liquidation. Prepare the liquidator's final account, allowing for his remuneration at 2% on the amount realized and 2% on the amount distributed among unsecured creditors other than preferential creditors. The Total Assets realized ₹ 39,650.

Preferential Creditors	₹	10,000
Unsecured Creditors	₹	32,000
Debentures	₹	10,000
Liquidation Expenses	₹	1,000

SECTION - III

III. Answer any THREE of the following questions, FIVE marks each. **(3x5=15)**

III-1. State the significance of Accounting Standards.

III-2. As per AS-14, State the conditions of amalgamation in the nature of a merger.

III-3. The following is the summarized Balance Sheet of Puttankar Co., Ltd. as of 31.03.2024.

Liabilities	Rs.	Assets	Rs.
9% Redeemable Preference Shares of ₹ 100 each	1,20,000	Fixed Assets	18,00,000
Equity Shares of ₹ 100 each	12,00,00	Current Assets	7,50,000
Reserve Fund	9,00,000		
Securities Premium	60,000		
Current Liabilities	2,70,00		
	25,50,000		**25,50,000**

The Preference Shares were redeemed on 01.04.2024 at a premium of ₹ 10 per share. For financing the redemption partly, 6,000 equity shares of ₹ 10 each were issued at a Premium of 10% and these shares were fully subscribed and paid for.

You are required to show Journal entries for giving effect to the above transactions.

III-4. On the reconstruction of a company, the following terms were agreed upon : The shareholders to receive in place of their present holding (viz., 50,000 shares of 10 each) the following:

- Fully paid Equity shares equal to 2/5th of their holdings
- 5% preference shares fully paid to the extent of 1/5th of the above new equity shares.
- ₹ 60,000, 6% Second Debentures

An issue of ₹ 50,000, 5% First Debenture was made and allotted payment for the same having been received in cash.

The Goodwill, which stood at ₹ 3,00,000, was written down to ₹ 1,50,000.

The Plant & Machinery, which stood at ₹ 1,00,000, was written down to ₹ 75,000.

The Leasehold Premises, which stood at ₹ 1,50,000, was written down to ₹ 1,25,000.

Make the Journal Entries in the books of the company necessitated by the above reconstruction.

III-5. Kavitha Ltd. went into voluntary liquidation on 31-03-2024 when the state of affairs was as below: Unsecured Creditors was ₹ 4,00,000 including ₹ 50,000 Preferential Claim. Secured Creditors secured on Plant & Machinery stood at ₹ 2,00,000. Cash in hand was ₹ 10,000. The Liquidator realized Plant and Machinery for ₹ 1,50,000 and other assets realized ₹ 1,00,000, the Liquidation Expenses came to ₹ 10,000, and the remuneration was fixed at 4% of the amount realized, including cash, and 2% on the amount distributed to unsecured creditors, including Preferential Creditors. Prepare Liquidation Account.

SECTION - IV

IV. Answer the following questions. TEN marks each. **(2x10=20)**

IV-1. The Business of Bhoomika Ltd. was absorbed by Rakshitha Ltd. on 31-03-2023, on which date the balance sheet of Bhoomika Ltd. was as follows:

Liabilities	Rs.	Assets	Rs.
Capital:		Building	4,00,000
Equity Share Capital	6,00,000	Plant	2,00,000
5% Preference Share Capital	4,00,000	Current Assets	2,00,000
Sundry Creditors	1,50,000	P & L A/c.	3,50,000
	11,50,000		**11,50,000**

Rakshitha Ltd. took over a building of ₹ 3,00,000, a Plant at ₹ 1,40,000, and Stock at ₹ 60,000. The purchase consideration is to be satisfied by the issue of 8% Preference Shares of ₹100 each and Equity Shares of ₹ 10 each in a 3:2 ratio.

The Preference Shareholders are to be settled in full by the allotment of new preference shares. Sundry Debtors realized ₹ 1,50,000 and ₹ 1,10,000 was paid

to Sundry Creditors in full settlement (there were no other current assets). The cost of Liquidation is ₹ 10,000. Prepare necessary Ledger Accounts in the books of Bhoomika Ltd. Opening Journal Entries of Rakshitha Ltd. and its Balance Sheet.

OR

What is Human Resource Accounting ? Explain the different types of Human Resource Accounting.

IV-2. The balance sheet of A Ltd. as on 31.12.2022 as given below:

Equities & Liabilities	**Rs.**
5,000 Equity Shares (₹ 100 each fully paid-up)	5,00,000
9% Redeemable Preference Shares (₹ 10 each fully paid-up)	2,00,000
Profit & Loss Account	1,60,000
Current Liabilities	1,20,000
Total	**9,80,000**
Assets	
Fixed Assets	4,00,000
Investments	2,00,000
Bank Balance	10,000
Other Current Assets	3,70,000
Total	**9,80,000**

On 1.1.2023, the company:

(a) Redeemed preference shares at a premium of ₹ 2 per share.

(b) Realized investments at a value of ₹ 1,60,000.

(c) Issued at a premium of ₹ 40 per share, such several equity shares of ₹ 100 each for redemption as to ensure that after the compliance with the requirements of the Companies Act, 2013, the credit balance in the profit and loss account would be ₹ 25,000.

(d) Issued as bonus equity share at par at the rate of 1 share for every 20 shares held on 31st December 2018 out of the said balance in the profit and loss account. You are required to show journal entries to record the above transaction, including cash and the balance sheet, on completion of the above transactions.

OR

Mention any Ten International Accounting Standards issued by IASB.

* * *