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**DCBC401**

Reg. No. | | | | | | | | |

**IV Semester B.Com.(Regular)/A&F/LSCM/T&T/IAS/TTM. Degree Examination, June/July - 2026**

**COMMERCE**

**Advanced Corporate Accounting**

**(NEP Scheme Repeaters)**

**Paper : 4.1**

**Time : 2½ Hours** **Maximum Marks : 60**

***Instructions to Candidates:***

All the Answers should be written in English only.

## SECTION - A

**Answer any FIVE of the following Sub-questions. Each Sub-question carries 2 marks.**

**(5×2=10)**

1. a) What is Purchase consideration?
   b) State the different types of Amalgamation.
   c) State any two functions of liquidator.
   d) What is redemption of debenture?
   e) State any four types of preference shares.
   f) Give two examples of preferential creditors.
   g) What do you mean by reduction of capital?

## SECTION - B

**Answer any FOUR of the following questions. Each question carries 5 marks.**

**(4×5=20)**

2. Calculate the purchase consideration:
   Total assets at book value - Rs.2,50,000
   Assets taken over at 10% less than book value
   Total liabilities Rs.1,00,000
   Liabilities not taken over - Rs.25,000
   Liquidation expenses of Rs.5,000 is to be borne by the purchasing company

3. Given below is the Balance Sheet of Nayak Ltd., as on 31-3-2025

| Liabilities | Amount(Rs.) | Assets | Amount(Rs.) |
|---|---|---|---|
| 5000,8% Pref.shares of Rs.10 each | 50,000 | Goodwill | 1,00,000 |
| | | Buildings | 4,000 |
| 5000 Equity shares of Rs.10 each | 50,000 | Plant | 5,000 |
| | | Debtors | 1,200 |
| Creditors | 18,000 | Stock | 22,000 |
| Bank over draft | 20,000 | Preliminary exps | 3,000 |
| | | Profit and Loss A/c | 2,500 |
| | | Cash | 300 |
| | **1,38,000** | | **1,38,000** |

[P.T.O.

The following scheme of reconstruction was adopted:

a) Rs.10 Preference shares were to be reduced to an equal number of fully paid shares of Rs.8 each.

b) Rs.10 equity shares were to be reduced to an equal number of fully paid shares of Rs.5 each.

c) Creditors agree to forego Rs.8,000.

d) The amount available was to be utilized to the nominal assets and the balance if any to be written off goodwill.

Pass Journal Entries

4. A Co. Ltd., went into voluntary liquidation with the following liabilities
Secured creditors Rs.40,000(Security realized by the liquidator Rs.50,000)
Preferential creditors Rs.12,000
Unsecured creditors Rs.61,000
Liquidation expenses Rs.500
The Liquidator is entitled to a remuneration of 3% on amount realised and 1½% on amount paid to unsecured creditors other than preferential creditors. The remaining assets Rs.52,000. Prepare liquidators's statement of account.

5. A company had 10,000, 6% redeemable preference shares of Rs.100 each fully paid. These shares were due for redemption on 31-3-2025 at a premium of 10%. To carry out the redemption the company issued 2500 equity shares of Rs.100 each at a premium of 7.5%. The company had a balance of Rs.50,000 in securities premium account and Rs.9,75,000 in P and L A/c. Pass necessary Journal Entries.

6. AIMS Co. Ltd., issued debentures of the face value of Rs.5,00,000/- on January 1, 2018, issued at par repayable also at par at the end of four years. The term of the Trust Deed stipulated that a Sinking Fund should be created to accumulate sufficient funds for the purpose of redeeming the debentures.
From the Sinking Fund table it is ascertained that the amount Rs.0.232012 invested at the end of each year at 5% Compound interest would fetch an amount of Rs.1 at the end of four years. On 31st December 2021, the investments realised Rs.3,65,000. The debentures were duly redeemed.
Prepare Sinking Fund Account for four years.

## SECTION - C

**Answer any TWO of the following questions. Each question carries Twelve marks.**

**(2×12=24)**

7. The Balance Sheet of Shiva Ltd., as on 31-3-2025 was as follows:

| Liabilities | Rs. | Assets | Rs. |
|---|---|---|---|
| Paid up Capital<br>2,000,6% Pref.shares of Rs.100 each | 2,00,000 | Land and buildings | 4,00,000 |
| 4000 Equity shares of Rs.100 each fully paid | 4,00,000 | Plant and Machinery | 4,40,000 |

| | | | |
|---|---|---|---|
| 6000 E.Shares of Rs.100 each, Rs.50 paid | 3,00,000 | Stock | 2,00,000 |
| 6% debenture (floating charges on all assets) | 2,00,000 | S.Debtors | 2,00,000 |
| Mortgage on land and building | 2,00,000 | Cash at bank | 60,000 |
| S.Creditors | 1,80,000 | P and L A/c | 2,00,000 |
| Income tax provision | 20,000 | | |
| | **15,00,000** | | **15,00,000** |

The company went into liquidation on 1-4-2025. The preference dividends were in arrears for 3 years. The arrears are payable on liquidation. The assets were realised as follows:

| | Rs. |
|---|---|
| Land and Buildings | 4,80,000 |
| Plant and Machinery | 3,60,000 |
| Stock | 1,40,000 |
| Debtors | 1,20,000 |
| Expenses on liquidation | 16,000 |

The liquidator is entitled to a commission of 2% on all assets realised and 3% on the amount distributed to unsecured creditors (including preferential creditors). All the payments were made on 30th Sept. 2025.

Prepare Liquidator's Final Statement of Account.

8. The following is the Balance Sheet of Bright Ltd., as on 31st March, 2023

| Liabilities | Rs. | Assets | Rs. |
|---|---|---|---|
| Share capital | | Leasehold premises | 1,30,800 |
| Authorized capital | | | |
| 10,000 Preference Shares of Rs.100 | 10,00,000 | | |
| 10,000 Equity Shares of Rs.100 | 10,00,000 | Plant and Machinery | 42,200 |
| | 20,00,000 | Patents at cost | 8,50,000 |
| Subscribed capital | | | |
| 7,500 Preference Shares of Rs.100 each fully paid | 7,50,000 | Sundry Debtors | 76,500 |
| 5,000 Equity Shares of Rs.100 each fully paid | 5,00,000 | Stock in Trade | 55,000 |
| | | Cash in Hand | 500 |
| Sundry Creditors | 30,000 | Discount on Issue of Shares | 18,000 |
| Bank overdraft | 20,000 | Preliminary expenses | 12,000 |
| | | Profit and Loss Account | 1,15,000 |
| | **13,00,000** | | **13,00,000** |

The company suffered heavy losses and was not getting on well. The following scheme of reconstruction was adopted.

a) The Preference Shares be reduced to an equal number of fully paid shares of Rs.50 each.

b) The Equity Shares be reduced to an equal number of shares of Rs. 25 each.

c) The amount so made available be used to write off Rs. 30,800 of the Leasehold Premises; Rs.15,000, Off stock; 20% of Plant and Machinery and Sundry Debtors and balance available off patents.

Journalize the transactions and prepare the Balance Sheet after the reconstruction has been carried out.

9. Following is the Balance Sheet of Rama Ltd., on 31-3-2025

| Liabilities | Rs. | Assets | Rs. |
|---|---|---|---|
| Share Capital 30,000 shares of 10 each fully paid | 3,00,000 | Buildings | 1,50,000 |
| General Reserve | 10,000 | Machinery | 1,00,000 |
| Profit and Loss A/c | 20,000 | Stock | 35,000 |
| Su.Creditors | 50,000 | Debtors | 70,000 |
| | | Bank | 5,000 |
| | | Preliminary expenses | 20,000 |
| | **3,80,000** | | **3,80,000** |

Leela Ltd., acquired the business of Rama Ltd., and agreed to take over the assets except the debtors and cash but took over no liabilities. However agree to pay sundry creditors out of the collections of su. debtors which amounted to Rs.65,000.

Leela Ltd., discharged the purchase consideration by allotment of 10 Equity shares for every 20 shares held in Rama Ltd., of 10 each at a market price of Rs.20 each and 5 in cash for every shares in Rama Ltd., and the expenses of liquidation amounted Rs.5,000. Show necessary ledger accounts to close the books of Rama Ltd., and prepare Balance Sheet in the book of Leela Ltd., after acquisition.

## SECTION - D

**Answer any One of the following question. The question carries 6 marks.**

**(1×6=6)**

10. Calculate the purchase consideration with imaginary figures under Net Asset method.

11. Prepare liquidor's final statement of Account with imaginary figures.