

**M. COM. SEM - II (CHOICE BASED CREDIT SYSTEM) (2012 COURSE) : SUMMER - 2019**

**SUBJECT: ELECTIVE – A GROUPS: ADVANCED ACCOUNTING - III**

Day: Saturday  
Date: 13/04/2019

Time: 03.00 PM TO 06.00 PM  
Max. Marks: 60

**S-2019-0480**

**N.B.:**

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of **CALCULATOR** is allowed.

**Q.1** The following is the Balance Sheet of A Ltd. B Ltd. and C Ltd. as on 31<sup>st</sup> (16) March, 2018.

Liabilities	A Ltd. Rs.	B Ltd. Rs.	C Ltd. Rs.	Assets	A Ltd. Rs.	B Ltd. Rs.	C Ltd. Rs.
Equity Shares of Rs. 100 each	5,00,000	2,50,000	1,00,000	Fixed Assets at cost	4,00,000	2,10,000	45,000
Capital Reserve	50,000	15,000	10,000	Less: Depreciation up to date	80,000	50,000	15,000
Revenue Reserve	1,00,000	75,000	60,000		<b>3,20,000</b>	<b>1,60,000</b>	<b>30,000</b>
Sundry Creditors	2,00,000	1,00,000	30,000				
Income Tax Proposed	50,000	35,000	30,000	Shares in B Ltd. at cost	4,50,000	-	-
Dividend	1,00,000	25,000	20,000	Shares in C Ltd at cost	50,000	1,00,000	-
				Stock	60,000	90,000	70,000
				Debtors	1,00,000	1,30,000	1,35,000
				Bank Balance	20,000	20,000	15,000
	<b>10,00,000</b>	<b>5,00,000</b>	<b>2,50,000</b>		<b>10,00,000</b>	<b>5,00,000</b>	<b>2,50,000</b>

From the following further information, prepare consolidated Balance Sheet of A. Ltd and its subsidiaries as on 31<sup>st</sup> March, 2018 together with consolidation schedules:

- i) B Ltd acquired 600 shares in C Ltd. on 1<sup>st</sup> April, 2016 when the balance on capital Reserve had been Rs. 10,000 and Revenue Reserves Rs. 15,000
- ii) A Ltd. purchased 2,000 shares in B Ltd on 1<sup>st</sup> April, 2017 when the latter's balance on consolidated Revenue Reserve had been Rs. 55,000. The balance on Capital Reserve in B Ltd. at that time was Rs.15,000
- iii) A Ltd. also acquired 300 shares in C Ltd. on 1<sup>st</sup> April, 2017 when the balance on Capital Reserve had been Rs. 10,000 and Revenue Reserve Rs. 35,000.
- iv) Proposed dividends from subsidiary companies have been included in the figure for debtors in the accounts of parent companies.

**OR**

**Q.1** Explain the concept of Capital Profit and Revenue Profit with reference to the accounts of Holding Company.

**Q.2** The Balance Sheet of Sanchi Ltd. as on 31<sup>st</sup> March, 2018 was as follows: (16)  
**Balance Sheet as on 31<sup>st</sup> March, 2018**

Liabilities	Rs.	Assets	Rs.
<b>Share Capital:</b>		Patents and Copyrights (at cost)	1,00,000
<b>A) Authorized and Subscribed Capital:</b>		Other Sundry Fixed Assets	6,00,000
• 8,000 Equity Shares of Rs. 10 each, fully paid	8,00,000	Profits and Loss	4,16,000
2,000, 8% Debentures of Rs. 100 each			
2,00,000			
<b>Add: Outstanding Interest (+) 16,000</b>	2,16,000		
Sundry Creditors	72,000		
Provision for Income Tax	28,000		
	<b>11,16,000</b>		<b>11,16,000</b>

**P. T. O.**

It was decided to reconstruct the company and the following scheme was approved by the court.

- a) Each equity Share be sub- divided into fully paid Equity Shares of Rs. 10 each.
- b) After sub- division, each shareholder shall surrender 50% of his holding to the company.
- c) Out of the surrendered shares, 5,400 shares of Rs. 10 each shall be converted into Preference Shares of Rs. 100 each fully paid.
- d) The claim of the Debenture holders shall reduced by 75% and in consideration thereof the Debenture holders shall receive preference shares to the value of 25% upon their claims.
- e) Creditors Claims shall be reduced to 50% and to be settled by issue of Equity Shares of Rs. 10 each, out of the shares surrendered.
- f) Patents and Copyrights having no realizable value, be completely written off along with the Profit and Loss Account debit balance.
- g) The Shares Surrendered but not re-issues shall be cancelled.

Pass the necessary journal entries and also prepare a revised Balance Sheet as on 31<sup>st</sup> March, 2018.

**OR**

- Q.2** a) Discuss reduction of capital. (08)  
 b) State the difference in between internal reconstruction and external reconstruction (08)

- Q.3** Shirish Ltd. went into voluntary liquidation on 31<sup>st</sup> March, 2017, when its Balance Sheet was as under. (16)

Liabilities	Rs.	Assets	Rs.
<b>Share Capital:</b>		Plant and Machinery	2,80,000
• 2,000, 5% Preference Shares of Rs. 100 each	2,00,000	Stock	1,30,000
• 2,500 Equity Shares of Rs. 100 each	2,50,000	Debtors	1,20,000
6% Debentures	50,000	Cash at Bank	52,000
(floating Charge on all assets)		Profit and Loss	23,000
Sundry Creditors	1,05,000		
	<b>6,05,000</b>		<b>6,05,000</b>

The Liquidator Realised The Assets As Follows:

- i) Plant And Machinery Rs. 2,00,000; Stock Rs. 80,000 and Debtors Rs. 1,00,000.
- ii) The Expenses Of Liquidation Amounts To Rs. 3,900.
- iii) The Liquidator's Remuneration Was Fixed At 2% On Sale Proceeds and 2% On Amount Distributed To Unsecured Creditors.
- iv) Sundry Creditors Include Preferential Creditors Rs. 5,000.
- v) Preference Shares Dividend Was Paid upto 31<sup>st</sup> March, 2015. Liquidator Made All Payments On 1<sup>st</sup> October, 2017. Prepare The Liquidators Final Statement Of Account.

**OR**

- Q.3** a) How the statement of affairs is prepared by the liquidator of the company. (08)  
 b) What do you mean by voluntary winding up of the company? State the types of voluntary winding up. (08)

- Q.4** Write short notes on any **THREE** of the following: (12)
- a) Stock brokers
  - b) Evaluation of Mutual Funds
  - c) Minority Interest
  - d) Preferential payments in liquidation
  - e) Compulsory winding up