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**PRESIDENCY  
UNIVERSITY**

**BENGALURU**

**School of Commerce**

**Mid - Term Examinations - November 2024**

**Semester:** III

**Date:** 06-11-2024

**Course Code:** COM3096

**Time:** 11.45am to 01.15pm

**Course Name:** Advanced Corporate Accounting

**Max Marks:** 50

**Program:** BCM/BCMC

**Weightage:** 25%

**Instructions:**

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

**Part A**

**Answer ALL the Questions. Each question carries 2marks.**

**5Qx2M=10M**

- |          |   |           |             |     |
|----------|---|-----------|-------------|-----|
| <b>1</b> | Explain the term of Internal Reconstruction   | 2 Marks   | Remembering | CO3 |
| <b>2</b> | Calculate minority Interest from the following:<br><b>Particulars</b>   | 2 Marks   | Applying    | CO1 |
|          | <b>Rs</b>   |           |             |     |
|          | Holding company's Share Capital   | 1,00,000  |             |     |
|          | Subsidiary company's Share Capital  | 2,00,000  |             |     |
|          | Shares held by Holding Company  | 80%       |             |     |
|          | Capital Profit of Subsidiary Company  | 60,000    |             |     |
|          | Revenue Profit the subsidiary Company   | 30,000    |             |     |
| <b>3</b> | Define Purchase Consideration as per AS 14.   | 2 Marks   | Remembering | CO2 |
| <b>4</b> | Write the journal entries from the following transactions in the books of transferor company:<br>(a) For receiving the Purchase consideration from the transferee company<br>(b) For realization profit | 2 Marks   | Applying    | CO2 |
| <b>5</b> | From the following calculate Goodwill or Capital Reserve.<br><b>Particulars</b>   | 2 Marks   | Applying    | CO1 |
|          |   | <b>Rs</b> |             |     |
|          | Shares held by Holding Company in S Ltd 12000 Shares of 1,80,000  |           |             |     |
|          | Subsidiary company's Share Capital (15,000 shares of Rs 10 each)  |           |             |     |
|          | 1,50,000  |           |             |     |
|          | Capital Profit of Subsidiary Company  | 80,000    |             |     |
|          | Revenue Profit the subsidiary Company   | 50,000    |             |     |

## Part B

Answer ALL Questions. Each question carries 10 marks.

4QX10M=40M

- 6 Discuss the following: (a) Holding Company (b) Revenue Profit (c) Minority Interest (d) Goodwill 10 Marks Understanding CO1

Or

- 7 On 1<sup>st</sup> July, 2012 H Ltd acquired 75,000 shares in S Ltd for 12,00,000. On 1<sup>st</sup> April 2012 P&L account of S Ltd showed a balance of Rs.80,000. 10 Marks Applying CO1

Particulars	S. Ltd
<b>I. EQUITY AND LIABILITIES</b>	<b>Rs</b>
<b>1. Shareholders' funds</b>	
<b>a) Share capital</b>	
Share capital of Rs 10 Each)	10,00,000
<b>b) Reserves and Surplus</b>	
Reserves	2,00,000
Profit and Loss account balance	2,00,000
<b>2. Non-Current Liabilities</b>	NIL
<b>3. Current Liabilities</b>	
Creditors	1,00,000
<b>Total of Equity and Liabilities</b>	<b>15,00,000</b>
<b>II ASSETS</b>	
<b>1. Non-Current Assets</b>	
S. Assets	15,00,000
<b>2. Current Assets</b>	NIL
<b>Total of assets</b>	<b>15,00,000</b>

From the above following Balance Sheet and additional Information calculate Minority Interest and Goodwill or Capital Reserve.

- 8 Sanju Company Ltd. Had the following Balance Sheet on 31<sup>st</sup> March 2010. 10 Marks Applying CO3

Particulars	Rs
<b>I. EQUITY AND LIABILITIES</b>	
<b>1. Shareholders' funds</b>	
<b>a) Share capital</b>	
Equity Share Capital of Rs.100 each	5,00,000

<b>b) Reserves and Surplus</b>	
Reserves	Nil
Profit Prior to Incorporation	10,000
<b>2. Non-Current Liabilities</b>	
<b>6% Debentures</b>	2,00,000
<b>3. Current Liabilities</b>	
Creditors	1,50,000
<b>Total of Equity and Liabilities</b>	<b>8,60,000</b>
<b>II ASSETS</b>	
<b>1. Non-Current Assets</b>	
Goodwill	90,000
Buildings	1,00,000
Machinery	2,00,000
Patents	30000
<b>2. Current Assets</b>	
Stock	95,000
Debtors	1,00,000
Cash	5,000
Profit and Loss Account	2,20,000
Preliminary Expenses	20,000
<b>Total of assets</b>	<b>8,60,000</b>

The following scheme of reconstruction was adopted.

- (a) Each share was to be reduced to a share of Rs.20
  - (b) All fictitious assets including goodwill and patents were to be eliminated
  - (c) Plant and machinery were to be brought to Rs.1,60,000
- Give necessary Journal entries for the above and prepare Balance sheet after implementation of the scheme.

**Or**

- 9 The following are the Balance Sheet of H and S as at 31st 10 Marks Applying CO1  
December 2014 on which date H acquires all the shares of S.

Particulars	H. Ltd	S. Ltd
<b>I. EQUITY AND LIABILITIES</b>	<b>Rs</b>	<b>Rs</b>
<b>1. Shareholders' funds</b>		
<b>a) Share capital</b>		
Share capital	5,00,000	1,00,000
<b>b) Reserves and Surplus</b>		

General Reserves		25,000
Profit and loss a/c	1,00,000	15,000
<b>2. Non-Current Liabilities</b>		
<b>3. Current Liabilities</b>		
Sundry Creditors	3,50,000	50,000
<b>Total of Equity and Liabilities</b>	<b>9,50,000</b>	<b>1,90,000</b>
<b>II ASSETS</b>		
<b>1. Non-Current Assets</b>		
Sundry Assets	7,00,000	1,90,000
Investments in S Ltd	2,50,000	-
<b>2. Current Assets</b>		
Cash at bank	-	-
<b>Total of Assets</b>	<b>9,50,000</b>	<b>1,90,000</b>

Prepare a consolidated Balance sheet.

- 10** Define Amalgamation as per AS14. Discuss the various methods of calculating Purchase Consideration. 10 Marks Remembering CO2

**Or**

- 11** X Co, takes over the business of Y Co. Ltd, and agrees to pay a sum of Rs. 10,00,000 by way of purchase consideration. The following are the assets and liabilities taken over by X Co., Ltd. 10 Marks Applying CO2

Land and Building	2,50,000
Plant and Machinery	4,00,000
Stock in Trade	2,00,000
Sundry Debtors (a Provision of 5%)	80,000
Cash in Hand	25,000
Sundry Creditors	50,000
Bills Payables	15,000

Give journal Entries required in the books of X Co., Ltd, for recording assets, liabilities taken over and payment of Purchase Consideration by it.

- 12** Differentiate between Amalgamation in the nature of Merger and Amalgamation in the nature of Purchase with suitable examples. 10 Marks Remembering CO2

**Or**

- 13** A Ltd is absorbed by B Ltd. Given below are the balance sheets of the two companies as on 31<sup>st</sup> March 2024. 10 Marks Applying CO2

Particulars	A. Ltd	B. Ltd
<b>I. EQUITY AND LIABILITIES</b>	<b>Rs</b>	<b>Rs</b>
<b>1. Shareholders' funds</b>		

<b>a) Share capital</b>		
9,000 Equity shares of Rs. 135 each fully paid.		
40,000 Equity shares of Rs. 75 each, fully paid	12,15,000	30,00,000
<b>b) Reserves and Surplus</b>		
General Reserves	4,25,000	13,00,000
Profit and loss a/c	-	35,000
<b>2. Non-Current Liabilities</b>		
<b>3. Current Liabilities</b>		
Sundry Creditors	60,000	65,000
<b>Total of Equity and Liabilities</b>	<b>17,00,000</b>	<b>44,00,000</b>
<b>II ASSETS</b>		
<b>1. Non-Current Assets</b>		
Sundry Assets	16,85,000	43,60,000
<b>2. Current Assets</b>		
Cash at bank	15,000	40,000
<b>Total of Assets</b>	<b>17,00,000</b>	<b>44,00,000</b>

The holders of every three shares in A Ltd was to receive five shares in B Ltd. Pass the necessary journal entries in the books of A Ltd after the absorption.