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63/2 (SEM-4) MCO 405 (A/B/C)

2024

COMMERCE

Full Marks : 80

Pass Marks : 32

Time : Three hours

**The figures in the margin indicate full marks for the questions.**

Paper : MCO 405(A)

**(Advanced Corporate Accounting)**

1. Answer the following multiple-choice questions :  $1 \times 6 = 6$

- (a) Goodwill is recorded in
  - (i) Cash Flow Statement
  - (ii) Fund Flow Statement
  - (iii) Income Statement
  - (iv) Balance Sheet

Contd.

(b) Shares appear at \_\_\_\_\_ in the Balance Sheet of company.

- (i) market price
- (ii) paid-up value
- (iii) adjusted market price
- (iv) None of the above

(c) Which of the following is the example of preferential creditor in Liquidator Statement of Account ?

- (i) Govt. Taxes
- (ii) Secured Loan
- (iii) Unsecured Loan
- (iv) None of the above

(d) Excess of cost of investment over paid-up value of share in holding company is considered as

- (i) minority interest
- (ii) capital reserve
- (iii) goodwill
- (iv) None of the above

(e) If the transferee company paid the liquidation expenses it is debited to

- (i) Capital Reserve Account
- (ii) General Reserve Account
- (iii) Goodwill Account
- (iv) Realisation Account

(f) Accounting Standard AS-14 deals with the

- (i) amalgamation
- (ii) holding company
- (iii) liquidation of companies
- (iv) None of the above

2. Answer the following questions : 2×5=10

- (a) What is liquidator ?
- (b) What do you mean by unsecured creditor in liquidation of company ?
- (c) What is consolidated financial statement ?
- (d) What do you mean by purchase goodwill ?
- (e) What is intrinsic value of share ?

● 6% Debentures having a floating charge on the assets of the company amounted to Rs. 2,40,000. Debentures were paid off on 30-09-2022 with interest. Debenture holders to be paid interest upto 31-03-2023

● The assets realised are as follows :

Inventory : Rs. 2,52,000

Furniture : Rs. 1,81,800

Cash in hand/bank Rs. 1500

Liquidator's expenses amounting to Rs. 5,706 and he is to be given a remuneration at 3% on the amount realised and 2% on the amount distributed to unsecured creditors excluding preferential creditors. Prepare Liquidator Final Statement of Account.

(c) Following is the Balance Sheet of ABC Ltd. and its subsidiary XYZ Ltd. as on 31/12/2023 :

**Balance Sheet as on 31/3/2023**

Particulars	ABC Ltd. (Rs.)	XYZ Ltd. (Rs.)
<b>I. EQUITY AND LIABILITIES</b>		
1) SHAREHOLDERS FUND		
a) Share Capital		
Equity shares of Rs.100 each	20,00,000	4,00,000
b) Reserve & Surpluses		
General reserves	8,00,000	3,00,000
Profit and Loss Account	4,00,000	1,00,000
2) CURRENT LIABILITIES		
Sundry Creditors	6,00,000	2,00,000
	38,00,000	10,00,000
<b>II. ASSETS</b>		
1) NON-CURRENT ASSETS		
Land and Buildings	12,00,000	3,60,000
Machinery	2,00,000	68,000
Furniture	4,00,000	4,00,000
Investment	6,40,000	
2) CURRENT ASSETS		
Stock	13,60,000	1,72,000
	38,00,000	10,00,000

Taking the following additional information into account prepare Consolidated Balance Sheet as on 31 December 2023.

- ABC Ltd. acquire 80% share in XYZ Ltd. as on 01/01/2023. The General Reserve and Profit and Loss of XYZ Ltd. on the date of acquisition is Rs. 1,00,000 and Rs. 60,000 respectively.
- Land and Buildings (Book Value Rs. 4,00,000) and Machinery (Book Value Rs. 80,000) of XYZ Ltd. were revalued at Rs. 6,00,000 and Rs. 60,000 respectively for the purpose of fixing the price of its shares. There was no purchase or sale of this asset since the date of acquisition.

5. Answer **any one** of the following questions:  
 $14 \times 1 = 14$

- (a) Explain the following methods of valuation of shares :  $7+7=14$
- (i) Net Asset-Based Method of valuation of shares
- (ii) Yield-Based Method of valuation of shares

(b) Following is the Balance Sheet of Bodoland Ltd. and Kokrajhar Ltd. as on 31/3/2023 :

**Balance Sheet as on 31/3/2023**

Particulars	Bodoland Ltd. (Rs.)	Kokrajhar Ltd. (Rs.)
<b>III. EQUITY AND LIABILITIES</b>		
<b>1) SHAREHOLDERS FUND</b>		
a) <b>Share Capital</b>		
Equity shares of Rs.10 each fully paid	10,00,000	6,00,000
12% preference share of Rs.100 each	4,40,000	3,40,000
b) <b>Reserve &amp; Surpluses</b>		
General reserves	1,00,000	50,000
Statutory reserve	60,000	60,000
Profit and Loss Account	1,50,000	1,00,000
<b>2) NON-CURRENT LIABILITIES</b>		
6% Debenture	1,00,000	70,000
<b>3) CURRENT LIABILITIES</b>		
Sundry Creditors	90,000	70,000
Other liability	40,000	30,000
	<b>19,80,000</b>	<b>13,20,000</b>

<b>IV. ASSETS</b>	
<b>1) NON-CURRENT ASSETS</b>	
Land and Buildings	4,10,000
Furniture	4,10,000
<b>2) CURRENT ASSETS</b>	
Stock	1,90,000
Debtors	2,06,000
Cash	1,04,000
	<b>19,80,000</b>
	<b>13,20,000</b>

Bodoland Ltd. takes over Kokrajhar Ltd. and discharges the purchase consideration as follows :

- Issue 70,000 equity share of 10 each at par to equity shareholder of Kokrajhar Ltd.
- Issue 13% preference share of 100 each to discharge 12% preference share of Kokrajhar Ltd. at 10% premium
- Debenture of Kokrajhar Ltd. will be converted into equal number of debenture of Bodonald Ltd.
- The Statutory Reserve of Kokrajhar Ltd. to be maintained for another 3 years.

Give Journal entries in the book of Bodoland Ltd. and also show the Balance Sheet after amalgamation considering the amalgamation in the nature of purchase.