Total number of printed pages–19

63/2 (NEP) SEM–2 COMSPL15094(A)/ 15094(B)/15094(C)

2025

COMMERCE

Full Marks : 70

Pass Marks : 28

Time : Three hours

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

Paper : COMSPL15094(A)

(Advanced Corporate Accounting)

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

   (a) Which is the method of valuation of share ?

   (A) Net Assets methods

   (B) FIFO method

   (C) Net Profit

   (D) Assets valuation method

(b) In case of amalgamation, which account is opened ?

(A) Profit & Loss A/c

(B) Realisation A/c

(C) Revaluation A/c

(D) Surplus A/c

(c) Liquidator's final statement includes :

(A) Assets and liabilities

(B) Receipts and payments

(C) Sales and purchases

(D) Trial balance

(d) Amalgamation of companies as per Accounting Standard —

(A) AS 3

(B) AS 6

(C) AS 14

(D) AS 16

(e) Revaluation of assets in holding company accounts is adjusted in :

(A) Profit & Loss Account

(B) Capital Reserve

(C) Cost of Control

(D) Revaluation Reserve

(f) Contributory is related to —

(A) Valuation of Share

(B) Holding Company

(C) Amalgamation

(D) Liquidation of Companies

2. Answer the following questions : $2 \times 5 = 10$

(a) What is the necessity of valuation of shares ?

(b) Define Purchase Consideration.

(c) What is subsidiary company ?

(d) What is liquidation ?

(e) Write the methods of valuations of goodwill.

3. Answer ***any six*** of following questions : 5×6=30

(a) Write various factors of valuations of goodwill.

(b) What is purchase consideration? Explain the methods of purchase consideration.

(c) What is Consolidated Financial Statements and write its needs.

(d) Explain the modes of Winding-up of a Company.

(e) The following particualrs are available in respect of the business of Guwahati Ltd. :

(i) Profits earned for the years :

2022-2023	Rs. 5,00,000
2023-2024	Rs. 6,00,000
2024-2025	Rs. 5,50,000

(ii) Normal rate of return = 10%

(iii) Capital employed = 30,00,000

(iv) Present value of an annuity of one rupee for 5 years at 10% = 73.78

(v) The profits included non-recurring profits on an average basis of 30,000

You are required to calculate the value of goodwill of the company—

(i) as per five years' purchase of super-profits ;

(ii) as per capitalisation of super-profits method; and

(iii) as per annuity method.

(f) Difference between amalgamation in the nature of merger and amalgamation in the nature of purchase.

(g) Anad Ltd. is taken over by Mohan Ltd. which is having 50,000 Equity shares of Rs.10 each. Mohan Ltd. agrees to make the following payments :

(i) Cash @ Rs.4.50 per share for every share held in Anand Ltd.

(ii) Issue three shares of Rs. 10 each at par for every five shares held in Anand Ltd.

(iii) Discharge of Rs.2,00,000, 12% debentures of Anand Ltd. at 10% premium by issuing 13% Debentures in Mohan Ltd. at par, and

(iv) Rs.90,000 cash to creditors of Anand Ltd. in final settlement of their account.

Determine the amount of purchase consideration for amalgamation as per AS 14.

(h) Explain in details the Cost of Control *or* Goodwill with reference to holding Company.

(i) Write the sequence of the order of payment in case of liquidation of companies.

(j) Explain the methods of Accounting for Amalgamations.

4. Answer ***any two*** of the following questions : 12×2=24

(a) Explain the factors that influence the valuations of shares and write the various methods of valuation of shares.

(b) Assam Ltd. took over the business of Guwahati Ltd. and the following was the Balance Sheet of Guwahati Ltd. as on 31.3.2024.

Balanse Sheet as at 31st March, 2024

Particulars	**Amount (Rs.)**
I. EQUITY & LIABILITIES	
(1) SHAREHOLDERS' FUND :	
(a) Share Capital :	
ISSUED & PAID UP CAPITAL : Equity shares of Rs.10 each fully paid	6,00,000
(b) Reserve & Surplus :	
General Reserve	50,000
Export Profit Reserve	1,20,000
(2) Non-current liabilities :	
Long-term borrowings	
6% Debentures	1,00,000
(3) Current Liabilities :	
Trade Payable (Bills Payable)	30,000
Total	**9,00,000**
II. ASSETS	
(1) Non-current Assets	
Fixed Assets :	5,50,000
(2) Current Assets	
Inventory	2,40,000
Trade Receivable (Debtors)	1,00,000
Cash & Cash Equivalent	10,000
Total	**9,00,000**

Additional information of Purchase consideration was fixed as follows :

(1) Cash payment of Rs.2 per share of Guwahati Ltd.

(2) 90,000 shares of Assam Ltd. of Rs. 10 each fully paid, at a premium of Rs. 2 each.

(3) 6% Debentures of Guwahati Ltd. were discharged at 5% premium by the issue of 7% debentures of Assam Ltd. issued at par.

(4) Assam Ltd. revalued fixed assets at Rs.6,50,000 and other assets at book value, while sundry debtors were taken over at Rs.95,000.

Give Journal entries in the books of Assam Ltd. and also show the opening Balance Sheet after amalgamation.

(c) Describe the accounting entries and format of Liquidator's Final Statement of Account.

(d) The following is the Balance Sheets of Holding Ltd and its Subsidiary Ltd. as on 31st March' 2024 :

Particulars	**Holding Ltd.**	**Subsidiary Ltd.**
1. EUITY AND LIABILITIES :		
Shareholders Fund :		
a) Share Capital :		
Equity Shares of		
Rs.100/- each	6,00,000.00	2,00,000.00
b) Reserve and Surplus		
Surplus in the		
Statement of Profit		
& Loss	50,000.00	NIL
Current Liabilities		
Sundry Creditors	2,30,000.00	60,000.00
TOTAL	**8,80,000.00**	**2,60,000.00**
II. ASSETS		
Non-Current Assets :		
Tangible		
Non-current Investments	6,80,000.00	2,60,000.00
1,600 Shares in Sarma Ltd.	2,00,000.00	NIL
TOTAL	**8,80,000.00**	**2,60,000.00**

The shares were acquired by Holding Ltd. on 31st March, 2024. Prepare the consolidated Balance Sheet of the holding company and its subsidiary as on 31st March, 2024.

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