Roll No:
Date: __/__/____

St. Claret College

Autonomous, Bengaluru

UG END SEMESTER EXAMINATION-MAY 2026
B.COM- TOURISM AND TRAVEL MANAGEMENT: IV SEMESTER
BCT 4125: ADVANCE CORPORATE ACCOUNTING

28

TIME: 3 hours. **MAX. MARKS: 80**

This paper contains FIVE printed pages and FOUR parts

Instructions:
1. **Verify and ensure that the question paper is completely printed.**
2. **Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.**
3. **Students must check the course title and course code before answering the questions.**

PART-A

Answer ALL questions. Each answer carries ONE mark. **[10 x1=10]**

1. In liquidation of a company, the amount paid to equity shareholders is known as:
   a) Liquidator's remuneration
   b) Preferential payment
   c) Return to contributories
   d) Debenture redemption

2. Which of the following payments is given first during liquidation according to priority?
   a) Equity shareholders
   b) Preferential creditors
   c) Secured creditors
   d) Liquidator's remuneration

3. Internal reconstruction generally involves:
   a) Formation of a new company
   b) Liquidation of company
   c) Reorganisation of share capital
   d) Merger of two companies

4. When one company takes over another company and the transferor company goes into liquidation, it is called:
   a) Amalgamation
   b) Absorption
   c) Internal reconstruction
   d) Demerger

5. Under AS-14, amalgamation in the nature of merger follows which method of accounting?
   a) Purchase method
   b) Pooling of interests' method
   c) Cost method
   d) Equity method

6. A demerger refers to:
   a) Two companies combining together
   b) One company dividing into two or more separate companies
   c) Liquidation of a company
   d) Sale of assets to creditors

7. The Corporate Social Responsibility (CSR) provisions are governed under which section of the Companies Act, 2013?
   a) Section 134
   b) Section 186
   c) Section 135
   d) Section 149

8. CSR provisions apply to companies having net profit of:
   a) ₹2 crore or more
   b) ₹5 crore or more
   c) ₹10 crore or more
   d) ₹50 crore or more

9. During liquidation, liquidator's remuneration is usually calculated on:
   a) Total capital
   b) Assets realised and amount distributed
   c) Profit of company
   d) Share premium

10. In amalgamation in the nature of purchase, which method is used?
   a) Pooling of interest method
   b) Equity method
   c) Purchase method
   d) Realisation method

PART-B

Answer any THREE questions. Each answer carries EIGHT marks. **[3 x 8=24]**

11. Adithya Co. Ltd. went into Voluntary Liquidation with the following liabilities on 31-3-2025.
   Secured Creditors 60,000 (Securities realized by the liquidator Rs 48,000)
   Preferential Creditors 12,000
   Unsecured Creditors 50,000
   Liquidation expenses 1,500
   The liquidator realized Rs 75,000 from other assets.
   The liquidator is entitled to a remuneration of 3% on amount realized and 2% on amount paid to unsecured creditors other than preferential creditors.
   Prepare Liquidator's Final Statement of Account.

12. Alen Limited resorted to internal reconstruction. The scheme is as under
   a) 20,000 equity shares of Rs 10 each fully paid to be converted into 10,000 equity shares of Rs 5 each fully paid.
   b) 1,000, 12% preference shares of Rs 100 each fully paid to be converted into 10,000 equity shares of Rs 5 each, fully paid.
   c) 150, 15% debentures of Rs 1,000 each to be discharged by issue of 20,000 equity shares of Rs 5 each fully paid.
   d) The amount so available to be appropriated as: P & L debit balance Rs 1,00,000; Goodwill Rs 1,00,000; Plant and machinery Rs 25,000. Pass necessary Journal entries

13. Give the meaning of Purchase consideration and explain the methods of PC with imaginary examples.
14. What is acquisition. Explain different types of acquisition.
15. Define CSR. List any six activities permitted under Schedule VII.

PART-C

Answer any THREE questions. Each answer carries TWELVE marks. **[3 x12=36]**

16. The following is the Balance Sheet of Chirom Ltd. as on 31st March 2025.

Liabilities	₹	Assets	₹
Paid-up capital:		Fixed assets:	
1,000, 6% preference shares of ₹ 100 each	1,00,000	Land and building	2,00,000
2,000, equity shares of ₹ 100 each, fully paid	2,00,000	Plant and machinery	2,20,000
3,000 equity share of ₹ 100 each, ₹ 50 paid	1,50,000	Current assets:	
Secured Loan: 6% debentures (floating charge on all assets)	1,00,000	Stock	1,00,000
		Debtors	1,00,000
Others: (Mortgage on land and building)	1,00,000	Cash at Bank	30,000
		Miscellaneous expenditure:	
Current liabilities:		Profit and Loss Account	1,00,000
Sundry creditors	90,000		
Income tax	10,000		
Total	7,50,000	Total	7,50,000

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: land and building ₹ 2,40,000; plant and machinery ₹ 1,80,000; stock ₹ 70,000; debtors ₹ 60,000. The expenses of liquidation amounted to ₹ 8,000.

The liquidator is entitled to a commission at 2% on all assets realised excluding cash at bank and 3% on amounts distributed to unsecured creditors. All payments were made on 30th Sept. 2025.

Prepare Liquidator's Statement of Accounts.

17. Balance sheet of Tharun construction Ltd as on 31-03-2015.

Liabilities	Amt	Assets	Amt
Authorized capital: 20,000 equity shares of Rs.10	2,00,000	Goodwill	10,000
Issued, subscribed and paid-up capital: 12,000 equity shares of Rs.10 each 1,20,000 Less: calls in arrears 9,000 (Rs.3 per share on 3,000 share)	1,11,000	Balance as per last balance sheet 22,000 Less: profit for the year 1,200	20,800
Sundry creditors	15,425	Land & Buildings	20,500
Provision for taxes	4,000	Machinery	58,850
		Preliminary expenses	1,500
		Stock	10,275
		Book debts	15,000
		Cash at bank	1,500
	130,425		130,425

A valuation of machinery reveals that it is over-valued by Rs.10, 000. It is proposed to write down this asset to its true value, to eliminate the deficiency in the profit and loss A/c and write off goodwill and preliminary expenses by adopting the following course:

1) Forfeit the shares on which call is outstanding.
2) Reduce the paid-up capital by Rs.3 per share; face value remaining the same.
3) Re-issue the forfeited shares at Rs.5 per share.
4) Utilize the provisions for taxes if necessary.

All the above were duly put into action. Pass necessary journal entries and draw up the Balance sheet of the company after carrying out the terms of the scheme.

18. On 1.4.2025 Sai ltd and Gagan Ltd. Were amalgamated into Saigagan Ltd. On the basis of the following balance

Liabilities	Sai ltd	Gagan ltd	Assets	Sai ltd	Gagan ltd
Paid-up capital	2,24,000	175,000	Goodwill	80,000	32,000
Creditors	5,000	6,000	Building	50,000	60,000
Reserve	8,000	12,000	Plant	41,000	10,000
P&L a/c	11,000	4,000	Stock	42,000	33,000
			Debtors	23,000	40,000
			cash	12,000	22,000
	197,000	**2,48,000**		**2,48,000**	**1,97,000**

Additional particulars:

1. Building of both companies to be written down by 10%
2. Provide 5% RBDD on debtors of both the co.,
3. Goodwill to be valued at 3 years purchase of last 2 years average profits. The profits were:

	31.3.2024	31.3.2025
A limited	13,000	18,000
B limited	4,000	6,000

4. the entire amount of purchase consideration was discharged by the allotment of equity shares in Saigagan Ltd.,
5. Saigagan Ltd., agrees to take over the remaining assets and liabilities at book values.

Prepare necessary ledger accounts in the books of Sai Ltd. And Gagan Ltd under business purchase method.

19. Following is the b/s of Suresh co., as on 31.3.2025

Liabilities	Amount	Assets	Amount
1,20,000 shares of Rs 10 each	12,00,000	Buildings	7,50,000
		Machinery	3,64,500
Reserve fund	6,00,000	Stock	4,55,750
Development rebate reserve	12,500	Debtors	3,82,500
Creditors	2,00,000	Bank	1,25,030
P&L account	65,280		
	20,77,780		**20,77,780**

The concern is acquired by Suraj company. The purchase consideration being the payment of Rs 10,00,000 is cash and allotment of two fully paid shares of Rs 10 each at an agreed price of Rs 12.50 in exchange for every 3 shares of Suresh company. The liquidation expenses of the vendor company are Rs 15,000.

Show the necessary journal entries to record the above in the books of the companies. Under purchase method. Assume that development rebate reserve will continue for 3 more years in Transferee Company

20. Explain the applicability and obligations of Corporate Social Responsibility under Section 135 of the Companies Act, 2013.

PART-D

21. Analyze the case and answer the questions. **[1 x10 =10]**

Jaivika ltd. is a manufacturing company with the following financial information:

Net Profit (last 3 years)

Year 1: ₹6 crore
Year 2: ₹8 crore
Year 3: ₹10 crore

During the current year, the company spent:

- ₹12 lakh on rural education
- ₹3 lakh on tree plantation
- ₹2 lakh on employee welfare activities

Questions

1. Calculate the CSR obligation of ABC Ltd. (6 Marks)
2. Identify which expenses qualify as CSR activities. (4 Marks)

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