



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FOURTH SEMESTER – APRIL 2025

16/17/18UBC4ES01 – ADVANCED CORPORATE ACCOUNTING



Date: 08-05-2025

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

SECTION A

Answer ANY FOUR of the following

(4 x 10 = 40 Marks)

1. Explain purchase of super profit method of valuation of goodwill with imaginary figures.
2. Compare the pooling of interest method of accounting with purchase method of accounting.
3. Compute The Value Per Equity Share, Under Net Assets Method, From The Following Particulars:
 - A. Total Assets At Book Value Rs.50,00,000, Their Market Value Being Rs.49,80,000.
 - B. Total Outside Liabilities Rs.19,00,000.
 - C. Equity Capital Rs.20,00,000, Each Share Rs.10.
4. LIC prepared its Revenue A/c for the year ended 31/03/2016 and ascertained its Life Assurance Fund to be Rs.28,35,000. It was found later that the following items had been omitted from the accounts:
 - a) Interest accrued on investments Rs.39,000; Income Tax liable to be deducted there on is estimated to be Rs.10,500.
 - b) Outstanding premium Rs.32,800.
 - c) Bonus utilized for reduction of premium Rs.6,750.
 - d) Claims intimated but not admitted Rs.17,400.
 - e) Claims covered under reinsurance Rs.6,500.Prepare Revenue account after making above adjustments.

5. What is the true Life Assurance Fund?

6. Standard assets	14,91,300
Sub-standard assets	92,800
Doubtful assets (secured) :	
doubtful for 1 year	25,660
doubtful for 1 to 3 years	15,640
doubtful for more than 3 years	6,580
Loss assets	10,350

Calculate the amount of provision to be made by the bank, against the above mentioned advances.

7. The trail balance of kuber bank Ltd as on 31st December 2001 show the following balance

Interest earned (including discount on bills)	45,40,600
Rebate on bill discount (on 1 st January 2001)	4,750
The amount of unexpired discount as on 31 st dec 2001	5,560

You are require to pass necessary journal entries .

8. Bring out the List - E properties in insolvency.

SECTION B

Answer ANY THREE of the following

(3 x 20 = 60 Marks)

9. The net profit of a business after providing for taxation, for past 5 years are: Rs 40,000 , Rs42,500 , Rs 46,000, Rs 52,000 , Rs 59,000. the capital employed in the business is Rs 4,00,000. the normal rate of return excepted in this type of business is 10%. it is expected that the company will be able to maintain its super profit for the next 5 years. Calculate the goodwill on the basis of
- (a) 5 years purchase of super profit
 - (b) Annuity method, taking the present value of annuity of Rs 1 for five years at 10% as 3.78; and
 - (c) Capitalization of super profits
10. Explain with suitable examples the various lists and at least one content thereof, relating to liquidation of companies.
11. Explain the provisions of Accounting Standard-14 (AS-14) for amalgamation
12. From the given following details relating to the new bank limited, find out the net profit earned by the bank in the year ending with 31st march 2001

Interest earned	37,01,738
Other income	4,55,000
Interest expended	20,37,452
Operating expenses	4,80,286
Provision and contingencies	13,00,000
Profit brought forward from the previous year	Nil
Transfer to statutory reserves	67,800
Transfer to other reserves	Nil
Transferred to proposed dividend	1,00,000
Balance carried to balance sheet	1,71,200

13. Distinction between amalgamation in the nature of merger and amalgamation in the nature of purchase .
14. Life Assurance Fund of a company on 31/3/2005 was Rs 6,00,00,000. Its net liability on that date amounted to Rs 5,70,00,000 as per actuarial valuation. Investment held by the company on that date amounted to Rs 4,80,00,000 against which the investment reserve stood at Rs. 7,50,000. The investment have to be written down by Rs 12,00,000

The company declared revisionary bonus of Rs 60 per Rs 1000 with the option of cash bonus at the rate of Rs 24 per Rs 1,000. Out of the total of Rs 8 crore policies in force, one – fourth of the policy holders (in value) opted for cash bonus. The company estimated that its liability for income tax would be Rs 4,80,000. Draft the journal entries to record the above.

Also show the valuation balance sheet as at 31st march , 2005.
