



- ii. 8 % Debentures worth Rs.80,000 will be issued to settle the Rs.60,000 9% Debentures in kannan limited.
- iii. Rs.10,000 will be paid towards expenses of winding up Calculate the Purchase Consideration

(OR)

12. b) State the various methods of calculating Purchase Consideration .

13. a) State the disadvantages of holding companies.

(OR)

- b) A Subsidiary company has a capital of Rs 5,00,000 in a shares of Rs100 each out which t the holding company acquired 80% of the shares Rs6,00,000 . the profits of the subsidiary company on the date of acquisition of shares by the holding company were Rs.3,00,000 calculate the value of goodwill or capital reserve.

14. a) On 31<sup>st</sup> March 2023 Bharat chemical limited finds its advances classified as follows  
Standard assets Rs.14,91,300 Sub-standard Assets Rs.92,800 Loss Assets Rs.10,350  
Doubtful assets ( secured) Doubtful for One year 25,600 Doubtful for One year to 3 years  
Rs.15,640 Doubtful for more than 3years Rs.6580 Calculate the amount of provisions to be  
By the bank against the above mentioned advances.

(OR)

- b) On 1<sup>st</sup> Oct 1987 Sai Bank discounted a bill of Rs.20,000 at 12% per annum and the bill has on the date exactly four months to run considering the days of grace also Journalise Accounts are closed 31<sup>st</sup> December.

15.a) A Life insurance Company prepare its Revenue Account For the year ended 31<sup>st</sup> Dec 2013 and ascertained its life Assurance fund to be Rs 28,35,000 it was found later that the following had been omitted from the accounts.

1. Interest accrued on Investments Rs.39,000 Income tax liable to be deducted there on is estimated to be Rs.10,500
2. Outstanding premium Rs.32,800
3. Bonus Utilized for reduction of premium Of Rs.6750
4. Claims intimated but not admitted Rs.17,400
5. Claims covered under Reinsurance Rs.6500 What is the true Life Insurance fund?

(OR)

- b) Calculate the net claim to debited to Revenue company for the Insurance company  
Claims paid for the year ended 31.3.2006 Rs.5,75,000  
Claims outstanding on 1.4.2005 Rs.55,000  
Claims outstanding on 31.3.2006 Rs.98,000  
Claims covered Under Reinsurance Rs.28,000

**SECTION – C****(5 X 8 = 40 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**

16. a) Briefly Explain the various needs for Accounting Standards. **(K4)**

(OR)

- b) A Machine was purchased on 1<sup>st</sup> Jan2022 For Rs.12 cores and depreciation on straight line basis at 10% per annum. was provided on the basis of 10 years effective life of the machine on 31<sup>st</sup> Dec 2022 it is reassessed and the balance of effective life time is deemed as only 3 more years. How do you deal with marker under AS-6 Depreciation accounting. **(K4)**

(CONTD.....3)

- 17.a) Ram Ltd and Shyam Ltd have agreed to amalgamate. A new company Rajesh Ltd has been formed to take over the combined concern as on 31<sup>st</sup> Dec 1998 After negotiations the assets of two companies have been agreed upon as shown below

Liabilities	Ram Ltd Rs	Shyam Ltd Rs	Assets	Ram Ltd Rs	Shyam Ltd Rs
Share Capital ( in Rs.10 each)	10,00,000	5,00,000	Sundry Debtors	1,20,000	20,000
Reserve fund		50,000	Goodwill	2,00,000	50,000
Profit and loss a/c	50,000	50,000	Plant	5,00,000	2,50,000
Creditors	80,000	50,000	Land	1,10,000	3,00,000
			Furniture	1,50,000	20,000
			Stock	50,000	10,000
			Bank		
Total	11,30,000	11,30,000		6,50,000	6,50,000

Prepare the balance sheet of Rajesh limited

- The entire purchase price is paid off in the form of equity shares of Rs.100 each in Rajesh Ltd
- The amalgamation is in the nature of merger. (K5)

(OR)

- b) A Purchasing company agrees to issue three shares of Rs.10 each paid up at market value of Rs 15 per share every shares in vendor company find out the number and amount of shares to be issued by the purchasing company if the vendor company has 1,00,000 shares of Rs 10 each Rs.5 paid up. (K5).

- 18.a) P Ltd acquired 65% shares of Q Ltd on 1-10-2002 profit and loss account in the books Q Ltd showed a debit balance of Rs.40,000 on 1-4-2002 On 31-3-2003 the Balance sheet of Q Ltd showed Profit and loss a/c balance of Rs1,20,000 calculate the capital and Revenue Profit (K4).

(OR)

- b) The Balance sheet of C Ltd and D Ltd as on 31<sup>st</sup> Dec 2020 are as follows: (K3)

Liabilities	C Ltd Rs	D Ltd Rs	Assets	C Ltd Rs	D Ltd Rs
Share Capital (in Rs.10 each)	2,00,000	1,00,000	Sundry Assets	1,32,500	1,38,200
General Reserve	18,000	20,000	Goodwill		20,000
Profit and loss a/c	24,500	23,000	Shares in D Ltd at cost	1,40,000	
Creditors	30,000	15,200			
Total	2,75,200	1,58,200		2,75,200	1,58,200

In the case of D Ltd profit for the year ended 31<sup>st</sup> Dec 2020 is Rs12,000 and transfer Reserve is Rs5000. The holding of C Ltd. in D Ltd is 90% acquired on 30<sup>th</sup> June 2020. (K4)

19.a) Explain the Guidelines of RBI for Profit and Loss Account. (K4)  
(OR)

b) Calculate the Rebate on Bills Discounted as on 31.3.2000(K4)

Date of Bill	15.1.2000	10.2.2000	25.2.2000	20.3.2000
Amount (Rs)	25,000	15,000	20,000	30,000
Period	5months	4months	4 months	3 months
Rate of Discount	8%	7%	7%	7%

20. a) The Revenue Account of a life insurance Company showed the life fund at Rs73,17,000 On 31.3.2006 before taking into account the following terms(K5)

- Claims intimated but not admitted Rs.58,250
- Bonus utilized in reduction of premium Rs.13,500
- Interest accrued in investments Rs.29,750
- Outstanding premium Rs.27,000
- Claims covered under reinsurance 40,500
- Provision for taxation Rs.31,500

Prepare journal entries with effect to the above adjustments and show the adjusted life fund.

(OR)

b) Explain the various types of Life policies in Life insurance corporation. (K5)

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