

# KAMARAJ COLLEGE (Autonomous)

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(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

(6 Pages)

Reg. No:.....

Question Code:26E00722

Course Code: 25PMCO22

PG Degree - End Semester Examinations, April 2026

Second Semester

M.COM

Advanced Corporate Accounting

(For those who joined in June 2025 onwards)

Time: 3Hours

Maximum: 75 Marks

## PART - A (10 × 1 = 10 Marks)

Answer ALL Questions

Choose the correct answer:

- CO:1 1. Owners of a company are called  
K:1 (a) Shareholders (b) Debenture holders  
(c) Both (a) and (b) (d) None
- CO:1 2. Preliminary expenses written off is shown in the Statement of  
K:1 Profit and Loss under  
(a) Employee benefit expenses (b) Other expenses  
(c) Finance loss (d) Depreciation and amortisation expenses
- CO:2 3. Insurance is a contract of  
K:2 (a) Indemnity (b) Agreement  
(c) Business (d) Consequential loss
- CO:2 4. The premium paid on a general insurance policy is  
K:2 (a) An income (b) An expense  
(c) Profit (d) Loss
- CO:3 5. The interest of shares held by outsiders in a subsidiary company  
K:3 is known as  
(a) Minority interest (b) Majority interest  
(c) Outsider interest (d) Special interest

- CO:3 6. Pre-acquisition profit is known as  
K:3 (a) Capital profit (b) Revenue profit  
(c) Revenue (d) None of these
- CO:4 7. Inflation accounting is also known as  
K:4 (a) Decision accounting (b) Standard accounting  
(c) Historical accounting (d) Accounting for price
- CO:4 8. The word "Forensic" means  
K:4 (a) Financial planning (b) Suitable for use in court of law  
(c) Company auditing (d) Tax reporting
- CO:5 9. When was the Accounting Standards Board constituted  
K:5 (a) 21 February 1977 (b) 21 March 1977  
(c) 21 April 1977 (d) 21 May 1977
- CO:5 10. CSR expenditure is generally treated as  
K:5 (a) Capital expenditure (b) Deferred revenue  
(c) Revenue expenditure (d) Contingent liability

**PART - B (5 X 5 = 25 Marks)**

**Answer ALL Questions choosing either (a) or (b).**

**Answer should not exceed 250 words.**

- CO:1 11. (a) Distinguish between shares and debentures.

K:1 **(OR)**

- (b) B Co. Ltd. issued 50,000 equity shares of ₹10 each to the public on condition that the full amount on shares will be paid in cash. All the shares were taken up.

Pass journal entries in the books of the company when:

- (i) Shares are issued at par  
(ii) Shares are issued at a premium of 10%  
(iii) Shares are issued at a discount of 10%

- CO:2 12. (a) Explain different types of insurance.

K:2 **(OR)**

- (b) From the following information, find out the Life Assurance Fund:

Bonus utilized in reduction of premium – ₹10,500

Interest accrued on investments – ₹25,250

Premiums – ₹80,000

Claims covered under reinsurance – ₹35,000

Provision for taxation – ₹19,500

CO:3 13. (a) Describe the concept of cost control and its applications.

K:3

**(OR)**

(b) X Ltd. purchased 60% shares of Y Ltd. on 1.1.2024 when the balances on their Profit and Loss Account and General Reserve were ₹1,50,000 and ₹1,60,000 respectively.

On 31.12.2024, the Balance Sheet of Y Ltd. showed Profit and Loss Account balance of ₹4,00,000 and General Reserve of ₹3,00,000.

Calculate capital profit and revenue profit.

CO:4 14. (a) Explain the meaning of inflation accounting.

K:4

**(OR)**

(b) State the objectives of forensic accounting.

CO:5 15. (a) state the objectives of financial reporting.

K:5

**(OR)**

(b) A company incurs the following expenditure during the year 2005–06. Determine the amount to be capitalised under AS-10 (Accounting for Fixed Assets):

(i) ₹4,00,000 for white washing factory and office building

(ii) ₹2,00,000 for purchase of machinery from Bombay

(iii) ₹2,00,000 for transporting the machines and installing them

(iv) ₹1,00,000 for maintenance of the new machinery

(v) ₹6,00,000 for erecting a workshop in the factory

**PART – C (5 X 8 = 40 Marks)**

**Answer ALL Questions choosing either (a) or (b).**

**Answer should not exceed 600 words.**

CO:1 16. (a) Define shares and explain its types.

K:1

**(OR)**

(b) From the following particulars of Noxia Ltd., prepare the Profit and Loss Account for the year ended 31st March 2025:

Revenue from operations – ₹70,000

Cost of goods sold – ₹20,000

Finance cost – ₹3,000

Depreciation and amortisation expenses – ₹1,500

Other income – ₹5,000

Employee benefit expenses – ₹4,000

Other expenses – ₹2,000

CO:2 17. (a) Give the format of final accounts of Life Insurance Companies.

K:2

**(OR)**

(b) The following figures relate to a Life Insurance Corporation. Prepare the Revenue Account for the year ended 31.03.2025:

Claims – ₹39,000

Management expenses – ₹14,000

Directors' fees – ₹4,000

Audit fees – ₹3,000

Medical expenses – ₹500

Agents' commission – ₹5,000

Depreciation – ₹4,000

Bonus in reduction of premium – ₹1,500

Consideration for annuities granted – ₹16,500

Surrenders – ₹9,000

Premium – ₹1,51,000

Life Fund (01.04.2024) – ₹11,50,000

Interest received – ₹40,000

Rent received – ₹10,000

Claims cancelled – ₹500

Annuities – ₹1,500

Premium outstanding – ₹9,000

Claims outstanding – ₹3,000

CO:3 18. (a) Explain the steps in the preparation of a consolidated  
K:3 balance sheet.

**(OR)**

(b) The Balance Sheets of A Ltd. and B Ltd. as on 31.03.2007 were as follows:

PARTICULARS	A Ltd ₹	B Ltd ₹
Share Capital (Equity shares of ₹1 each)	12,000	5,000
Reserves	5,000	1,000
Profit and Loss Account	2,000	1,000
Sundry liabilities	7,500	1,000
Sundry assets	20,000	8,000
Investments (5,000 shares of B Ltd.)	A Ltd. ₹6,500	-

Additional Information:

Shares were acquired by A Ltd. on 30.09.2006.

B Ltd. transferred ₹500 from profits to reserve on 31.03.2007.

Prepare the Consolidated Balance Sheet.

CO:4 19. (a) Explain the different methods of inflation accounting.

K:4

**(OR)**

(b) A real estate company started with a capital of ₹50,00,000 invested in urban land on 1.1.2010.

On that date, the general price index was 100 and the

specific price index for land was 200.

The company sold the land on 1.1.2015 when the general price index was 180 and the specific price index was 420.

The sale price of the land was ₹1,80,00,000.

Ascertain profit under:

(1) Historical Cost Method

(2) CCA Method

(3) CPP Method

CO:5 20. (a) State the key principles of the Companies Act, 2013.

K:5

**(OR)**

(b) Assess the significance of financial reporting.