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CENTRE FOR DISTANCE AND ONLINE EDUCATION (CDOE)**

**MASTER OF COMMERCE**

**Assignment Question Paper for Semester-1  
M.Com 103 – CORPORATE FINANCIAL ACCOUNTING**

**Answer any TWO Questions**

**All questions carry equal marks**

**2 X 10 = 20**

1. Meaning and importance of GAAP? Explain accounting concepts and conventions of GAAP
2. Role of computers in Accounting
3. The summarize balance sheet of A' Ltd and its subsidiary 'B' Ltd as on 31/03/23, are as follows.

Liabilities	A Ltd	B Ltd	Assets	A Ltd	B Ltd
Share capital of 10/- each	5,00,000	1,00,000	Sundry Assets	5,00,000	1,70,000
Reserves	80,000	30,000	Investment of 8000 shares in B ltd	1,40,000	-
Profit and loss A/c	60,000	40,000	-	-	-
<b>TOTAL</b>	<b>6,40,000</b>	<b>1,70,000</b>	<b>TOTAL</b>	<b>6,40,000</b>	<b>1,70,000</b>

'B' Ltd had a capital profit of 30,000/- in the reserves when A Ltd acquires shares in B ltd and decide to make a bonus issue out of post acquisition profits of 2 shares of 10/- each fully paid for every 5 shares held. Calculate cost of capital/ Goodwill before and after the issue of bonus shares. Prepare consolidated balance sheet after the issue of bonus shares.

4. A Ltd and B Ltd two companies with businesses decided to merger and C Ltd was created to take over their respective assets and liabilities. Their separate balance sheets are as follows:

Liabilities	A Ltd	B Ltd	Assets	A Ltd	B Ltd
Share capital of 7500 shares of A ltd Share capital of 4500 shares of B ltd	75,000	45,000	goodwill	30,000	20,000
Bills Payable	1000		Free hold property	20,000	-
Sundry creditors	2,300	2,000	Plant & machinery	8300	21,550
General reserve	3200	2500	Stock	6000	3,450
Profit & loss A/C	1800	2000	Sundry debtors	17,500	6,000
			Cash at Bank	1500	1000
<b>TOTAL</b>	<b>83,300</b>	<b>52,000</b>	<b>TOTAL</b>	<b>83,300</b>	<b>52,000</b>

What percentage of assets sold for their book values will each company receive?

Prepare a balance sheet following the merger and make the relevant journal entries in the firm's accounts.