QP CODE: 20100875

20100875

Reg No : .....

Name : .....

B.Com DEGREE (CBCS) EXAMINATION, MARCH 2020

Fourth Semester

Core Course - CO4CRT11 - CORPORATE ACCOUNTING II

(Common for B.Com Model II Computer Applications ,B.Com Model II Finance & Taxation,B.Com Model II Marketing,B.Com Model II Travel & Tourism,B.Com Model III Office Management & Secretarial Practice ,B.Com Model III Taxation ,B.Com Model III Computer Applications ,B.Com Model I Co-operation ,B.Com Model I Marketing ,B.Com Model I Finance & Taxation ,B.Com Model I Travel & Tourism ,B.Com Model II Logistics Management)

2017 Admission onwards

2C17268A

Time: 3 Hours Marks: 80

Part A

Answer any ten questions.

Each question carries 2 marks.

1. What is claims?
2. What is fire insurance?
3. Give any four examples of schedule 12 of banking company.
4. Describe the term capital adequacy ratio. How it is calculated.
5. State the various ways in which internal reconstruction can be carried out?
6. What is alteration of share capital?
7. As per capital reduction scheme adopted by a company , .5,000 7% debentures of Rs. 100 each are reduced to Rs. 80 each and the trade creditors have agreed to reduce their claim by Rs. 50,000. Journalise
8. Pass journal entry for discharging liabilities of Rs 10,000?- in the book of the transferor.
9. What is the journal entry for the payment of purchase consideration of Rs 200000/- in the books of transferee?
10. What are the main objectives of External Reconstruction?
11. Who is a Liquidator?
12. What is List A contributory?

(10×2=20)

Part B

Answer any six questions.

Each question carries 5 marks.

13. What are the type of registers and books maintained by life insurance companies?

14. New India Life Assurance Company Ltd. prepared its revenue account for the year ended 31.03.2019 and ascertained its surplus as Rs.48,78,000. It was found later that the following had been omitted from the books of accounts.

    a. Claims intimated but not admitted Rs.65,500
    b. Bonus utilized in reduction of premium Rs.6,500
    c. Interest accrued on investment Rs.19,500
    d. Outstanding premium Rs.18,000
    e. Claims covered under reinsurance Rs.27,000

    Give entries necessary to rectify the above omissions and ascertain the correct surplus.

15. Which are the books maintained by a Bank?

16. Give journal entries for the following transactions in connection with internal reconstruction.

    1. 10,000 equity shares of Rs. 10 each fully paid , reduced to shares of Rs. 5 each fully paid
    2. 100 , 8% debentures of Rs. 1,000 each converted into 500, 6% debentures of Rs. 100 each
    3. The debit balance of P&L account Rs. 50,000and preliminary expenses of Rs. 10,000 were written off.
    4.The value of plant and machinery and stock were written down by Rs. 20,000 and 10,000 respectively

17. A company's position on 31-12-2018 was as follows,

20,000 equity shares of Rs. 100 each	20,00,000
10,000 6% debentures	10,00,000
Interest outstanding on debentures	1,20,000
Sundry creditors	5,00,000
Fixed asset	20,00,000
Current assets	6,50,000

    Fixed assets were revalued at Rs. 9,60,000 and current assets at Rs. 4,80,000. The capital reduction scheme approved by the court was as follows :

    1. The shares were subdivided in to shares of Rs. 5 each and 90 % of the shares were surrendered .
    2. Claims of debentures were reduced to Rs. 4,90,000 for which Rs. 2,50,000 equity shares were allotted .
    3. Creditors agreed to reduce their claim to Rs. 3,00,000 , one third of which was satisfied by the issue of equity shares out of those surrendered. Draft journal entries.

18. Amalgamation is very essential to meet the modern business compitions - Explain

19. The amalgamation process disappears the existence of one company- is it a good practice? Why and when?

20. H Ltd. acquires the business of R Ltd. for which H Ltd. pays Rs 5, 00,000/- in equity shares of Rs 10 each, Rs 50,000/- in 10% debentures of H Ltd. and Rs 1, 00,000/- in cash. Creditors for Rs 20,000/- and provident fund Rs 25,000/- are also paid by H Ltd. Calculate purchase consideration.

21. Explain the various modes of Winding up?

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. Explain the procedure for the preparation of final accounts of general insurance business? And distinguish between life insurance and general insurance?

23. From the following balances of ABCD Bank Ltd as on March 2018 Prepare Balancesheet in the prescribed format

(Figures in Rupees)

Paid up share capital	1000000
Bills discounted	900000
Reserve fund	385000
Cash credit	1000000
Overdraft	400000
Unclaimed dividend	5000
Loans	2300000
Current deposits	1900000
Furniture	20000
Profit and loss A/c (Cr)	110000
Stamps and Stationery	5000
Cash in hand	250000
Cash with RBI	650000
Branch Adjustment (Dr)	85000
Investments	475000
Loans (Cr)	600000
Recurring deposits	500000
Fixed deposits	1000000
Cash certificates	500000
Contingency reserve	85000

Additional information:-

1) Rebate on bills discounted 5000
2) Provide 40000 for doubtful debts
3) Bank's Acceptances on behalf of customers were 650000

24. The following is the Balance sheet of Tye Ltd. as on 31st December 2018.

Liabilities	Amount	Assets	Amount
Share capital (10 each)	400000	Goodwill	47000
General Reserve	120000	Freehold Premises	280000
Capital reserve	42000	Machineries	200000
Accident Compensation Fund	18000	Stock in trade	210000
11% Debentures	80000	Advertisement Suspense	50000
Sundry Creditors	190000	Debtors	50000
		Bank	13000
	850000		**850000**

The business except bank balances acquired by Mytry Ltd. for Rs 600000/- payable Rs 400000/- in shares of Rs 10/- each and balances in cash. 13% debentures of Tye Ltd. were redeemed by the issue of 12 debentures in Mytry Ltd. The liquidation expenses of Tye Ltd. amounted to Rs 7500/- On fixing the purchase price, free hold premises were valued at Rs 300000/- and debtors at Rs 40000/-. Give journal entries and ledger accounts in the books of Tye Ltd. and journal entries in the books of Mytry Ltd.

25. Moon Ltd went into voluntary liquidation on 30th September 2018. The following relate to the company on liquidation:

	₹
Secured Creditors	1, 60,000
(Amount realized from Land and Building held as securities Rs. 2, 10,000)	
Preferential creditors	10,000
Liquidation expenses	4,000
Unsecured creditors	90,000
Debentures with floating charge	1, 50,000
12% Preferential shareholders	2, 00,000
Equity share capital	3, 00,000
(30,000 Equity shares of ₹ 10 each fully paid)	

Liquidator is entitled to a commission of 4% of assets realized and 2% of amount distributed to unsecured creditors. Sundry assets realized ₹ 5,50,000.

Prepare Liquidator's Final Statement of Account.

(2×15=30)