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QP CODE: 24020769

Reg No : .....

Name : .....

B.COM DEGREE (CBCS) REGULAR EXAMINATIONS, APRIL 2024

Fourth Semester

Core Course - CO4CRT11 - CORPORATE ACCOUNTING II

(Common for all B.Com Degree Programmes)

2017 Admission Onwards

29F1EAD7

Time: 3 Hours Max. Marks : 80

*Instructions to Private candidates only: This question paper contains two sections. Answer **SECTION I** questions in the answer-book provided. **SECTION II**, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II***

Part A

Answer any ten questions.

Each question carries 2 marks.

1. What is register of policies?
2. How do you calculate the claim to be paid?
3. What is reversionary bonus?
4. Differentiate between repo rate and reverse repo rate.
5. What is rebate on bills discounted?
6. What do you mean by subdivision of share capital?
7. As per capital reduction scheme adopted by a company , 10,000 7% debentures of Rs. 100 each are reduced to Rs. 80 each and the trade creditors have agreed to reduce their claim from Rs. 50,000.to Rs. 20,000. Journalise.
8. How to calculate Net Liability? Give Example.
9. Pass the journal entry in the book of Transferor for the sale of assets for Rs 50,000/- not taken over by the transferee company.
10. What is the journal entry for the purchase consideration due in the book of transferee company?

11. What is Creditor's Voluntary Winding Up?

12. What is List B contributory?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. From the following information, prepare P&L A/c of ABC Life Insurance Corporation for the year ended 31.03.2019:

	Rs.('000)
Surplus as per revenue account for the year	26,500
Interest on general investment	1,200
General administration expenses	750
Loss on revaluation of general investments	150
P&L A/c balance on 01.04.2018	600
Interim dividend paid during the year	250

Maintain provision for income tax at 50% profit for the year. Directors propose a final dividend of 10% on its paid up capital of Rs.2 crores. Transfer Rs.1,00,00,000 to the fund for future appropriations.

14. Explain about life insurance and general insurance.

15. The following are details extracted from the Trial Balance of S Bank Ltd as on 31-3-2019.

Interest and Discounts	1,96,62,400
Rebate on bills discounted (1/4/2018)	65,040
Bills discounted and purchased	67,45,400

It is ascertained that the proportionate discount not yet earned on bills discounted which will mature during 2019-20 amounted to Rs 92,760.

Pass necessary entries and show Interest and Discount account and Rebate on bills discounted account.

16. What is internal reconsruction? Explain the procedure for internal reconstruction.

17. The following agreement was made in the reconstruction of Amith Company Ltd., the shareholders had agreed to receive the following in exchange for 50,000 shares of Rs. 10each held by them:

1. Fully paid equity shares of Rs. 10 each up to the extent of 2/5 of the present holdings
2. 5% preference shares of Rs.10 each to the extent of 1/5 of the above new equity shares.
3. 6% debentures for Rs. 60,000.

Further , 5% debentures for Rs. 50,000 had been issued to the public and the company has received the cash .Goodwill Rs. 3,00,000 reduced to Rs. 1,50,000, machinery from Rs. 1,00,000 to 75,000 and leasehold premises from Rs. 1,50,000 to 1,25,000. Give necessary journal entries.

18. Make a note on AS - 14 and its components.

19. What do you mean by Amalgamation? Explain its main features.

20. The following is the Balance Sheet of T Ltd. as on 31st March 2019

	Particulars	Amount
	EQUITY & LIABILITIES	
1	Share Holders Fund	
	Share Capital (10each)	150000
	Preference share capital	250000
	Reserve and Surplus	240000
2	Non Current Liabilities	
	Long term borrowings	80000
3	Current Liabilities	
	Creditors	72000
	Total	**792000**
	ASSETS	
1	Non Current Assets	
	Land & Building	300000
	Plant & Machinery	230000
	Noncurrent Investment	45000
2	Current Assets	
	Inventories	42000
	Debtors	170000
	Cash and Equivalents	5000
	Total	**792000**

Pass journal entries in the books of T Ltd. if T Ltd. is absorbed by ND Ltd. on the above date on the with some conditions such as, equity share are to be redeemed at 2%

premium by issuing equity shares in ND Ltd. at par, 10 Preference shares in ND Ltd. are to be issued for 8 preference shares held in TR Ltd.

21. Give a pro-forma of Liquidator's Final Statement of Account .

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. From the following information prepare revenue account of Sun Life Insurance Company for the year ended 31.03.2019

Claims death	42,376
Commission	50,000
Commission on reinsurance received	12,000
Share transfer fees	5,000
Expenses of management	78,000
Bad debts	2,500
Claims paid	15,000
Premium received less reinsurance	5,52,000
Reserve for unexpired risk on 01.04.2018	2,30,000
Additional reserve on 01.04.2018	40,000
claims outstanding on 01.04.2018	27,000
Rent, rate and tax	18,500

Adjustments:

1. Premium outstanding on 31.03.2019 amounts to Rs.40,000/-
2. It is the policy of the company to maintain 50% of premium towards reserve for unexpired risks.
3. Additional reserve at 10% of net premium to be maintained

23. From the following information, you are required to prepare the Profit and Loss Account of the PN Bank for the year ended 31st March, 2009, under the provisions of the Act applicable thereto:

	Rs. ('000)		Rs. ('000)
Interest on Loans	518	Postage, Telegrams & Telephones	2.8
Interest on Cash Credits	446	Sundry Charges	2
Discount on Bills Discounted	390	Advertisements and Publicity	1.4
Interest on Overdrafts	108	Director's Fees	6

Interest on Savings Bank Deposits	220	Printing & Stationery	0.4
Interest on Fixed Deposits	554	Law Charges	1.4
Commission, Exchange and Brokerage	16.4	Payment to Employees	108
Rent, Taxes and Lighting	36	Lockers Rent	0.7
Auditor's Fees	2.4	Transfer Fees	1.4
		Depreciation on Bank's Property	10

Supplementary information: Rebate on bills discounted Rs.98,000 and provide for bad debts Rs.58,000.

24. Following is the balance sheet of Geeva. Ltd. as on 31-3-2018

Liabilities	Amount	Assets	Amount
		Goodwill	2,00,000
		Building	3,00,000
Share capital:		Machinery	3,00,000
20,000 shares of Rs. 100 each	20,00,000	Furniture	4,00,000
Debentures	2,00,000	Stock	3,00,000
Sundry creditors	3,00,000	Debtors	2,00,000
		P&L account	8,00,000
	25,00,000		25,00,000

The company adopted the following scheme of Internal Reconstruction.

a) Shares of Rs. 100 each are to be reduced to an equal number of fully paid shares of Rs. 50 each.

b)To issue 2000 new shares of Rs. 50 each as fully paid up to debenture holders in full settlement.

c)The amount available is to be utilized in writing off the goodwill and P&L account and the balance in writing down the value of machinery. Give journal entries, prepare capital reduction account and reconstructed balance sheet.

25. Fair Ltd. was just recovering from a great financial crisis and consequently went in to voluntary liquidation. Its summarized balance sheet as on 31st March 2014 was as follows.

Liabilities	Amount	Assets	Amount
Share capital (10 each)	500000	Building	423500
Preference Share	400000	Other Fixed Assets	165800
Profit prior to Incorporation	12460	Floating Assets	179800
Liabilities	76400	Profit and Loss A/C	219760
	988860		**988860**

Flair Ltd. was incorporated on 15th April 2014 to take over some of the assets of Fair Ltd. as agreed valuation as Building Rs 250000/- , other fixed assets Rs 85000/- and 40% of the floating assets at Rs 25000/-. The total purchase consideration was satisfied by the allotment of preference and equity shares in the new company in the ratio of 3:2. The preference shares carried 5% dividend where as the equity shares of Rs 20/- each were issued as partly paid to the extent of Rs 15/- per share. The preference share holders of the old company were fully settled by issuing the 2000 preference shares of Rs 100 each. All other liabilities were discharged and the cost of winding up amounted to Rs 12500/- . You are required to pass necessary journal entries to close the books of Fair Ltd. and pass entries in the new company.

(2×15=30)