QP CODE: 26019876

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Reg No : .....

Name : .....

B.COM DEGREE (CBCS) IMPROVEMENT/ REAPPEARANCE / MERCY CHANCE EXAMINATIONS, APRIL 2026

Fourth Semester

Core Course - CO4CRT11 - CORPORATE ACCOUNTING II

(Common for all B.Com Degree Programmes)

2017 Admission Onwards

8A723263

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 IRDA?
2. How do you calculate the premium to be credited to revenue account?
3. What is marine insurance?
4. Define Banking?
5. Give any four examples of Schedule 16 of bank's final accounts.
6. State four objectives of internal reconstruction.
7. Pass journal entry for cancellation of unpaid amount of Rs. 2,00,000 in respect of 1,00,000 equity shares of Rs. 10 each Rs. 8 paid up.
8. What is 'Transferee Company'?
9. What do you mean by Amalgamation in the nature of purchase?
10. What is the journal entry for the purchase consideration due in the book of transferee company?

11. What are the grounds for voluntary winding up?

12. Who is a Contributory?

(10×2=20)

Part B

*Answer any **six** questions.*

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

13. Revenue account of a life insurance company discloses a surplus of Rs.10,00,000 on 31.03.2019 before taking the following:

    i. A claim of Rs.10,000 was intimated and admitted but not paid during the year
    ii. A claim of Rs.6,000 outstanding in the books for 8 years is written back
    iii. Interest on securities accrued Rs.800
    iv. Rent of the building occupied Rs.2,000
    v. Premium of Rs.600 is payable under reinsurance
    vi. Reinsurance recoveries Rs.26,000
    vii. Bonus in reduction of premium Rs.10,000
    viii. Agent's commission to be paid Rs.8,000

    Pass the necessary journal entries for the above omissions and recompute the correct surplus for the year.

14. The Life Fund of Anand Life Assurance Company Ltd. was Rs.94,00,000 as on 31.03.2019. The interim bonus paid during the valuation period was Rs.4,60,000. The periodical actuarial valuation revealed the net liability as at Rs.72,00,000. The directors of the company proposed to write down investment by Rs.1,20,000, provide for taxation Rs.2,40,000, to carry shareholders and policyholders in the ratio 1:10. Show:

    i. The valuation balance sheet
    ii. The net profit for the valuation period and the distribution of the surplus.

15. Explain the assets classification of a banking company.

16. The share capital of A ltd. consists of the following

    a)10,000 6% preference shares of Rs. 100 each

    b) 50,000 equity shares of Rs. 10 each

    The shares were fully paid up. The Co. has accumulated losses to the extent of Rs. 3,50,000, preliminary expense Rs. 20,000 and fixed assets are overvalued to the extent of Rs. 4,00,000.

The scheme of capital reduction permits to write off overvalue of fixed assets, losses and expenses. Under this scheme, 6% preference shares are to be converted into 8% preference shares of Rs. 60 each and equity shares are converted in to shares of Rs. 2 each. Pass necessary journal entries.

17. White ltd. has an equity share capital of Rs. 50,00,000 consisting of 50,000 shares of Rs. 100 each. It is resolved and sanction of the court has been obtained.

1)To subdivide the shares into fully paid equity shares of Rs. 10 each.

2) 80 % of the shares to be surrendered to the company.

3) 2,00,000 of surrendered shares to be issued to 15% debentures of Rs. 25,00,000 in full settlement of their claim.

4) 1,00,000 of the surrendered shares to be issued as fully paid to creditors of Rs. 12,50,000.

5)The balance of the surrendered shares to be cancelled.

6)To write off debit balance of in P&L account Rs. 30,20,000, goodwill Rs.13,80,000, preliminary expenses Rs. 1,50,000 and balance to be transferred to capital reserve.

Give Journal entries to implement the scheme.

18. Following are the B/S of T Ltd. and U Ltd. as on 31st March 2013.

Liabilities	T Ltd.	U Ltd.	Assets	T Ltd.	U Ltd.
Share Capital (Rs 10 each)	150000	130000	Fixed Assets	120000	100000
Surplus	85000	15000	Stock	65000	37000
8% Debentures	10000	20000	Debtors	40000	40000
Creditors	39000	37000	Bank	59000	25000
	284000	202000		284000	202000

T Ltd. agreed to absorb U Ltd. as on 31st March 2013 with some conditions such as T Ltd. agreed to repay 8% debentures of U Ltd., T Ltd. revalue its fixed assets at Rs 1,50,000/- to be incorporated in the books, shares of both the companies to be valued on net assets basis after considering Rs 40,000/- towards the value of good will of U Ltd. The cost of absorption of Rs 5,000/- is met by T Ltd. Calculate the ratio of exchange and purchase consideration.

19. Explain the need of External Reconstruction in the modern business organization.

20. "Amalgamation in the nature of purchase and absorption seem to be same, but they are conceptually different." Substantiate.

21. Distinction between Liquidation and Insolvency.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Given below are the ledger balances of National Insurance Company as on 31.03.2019 after the preparation of revenue and profit and loss accounts:

	(Rs.000)
Cash in hand	300
Cash with other banks	1,500
Contingency reserve	200
General reserve	600
Reserve for unexpired risk:	
Fire	800
Marine	700
Premises	750
Share capital: 1,00,000 equity shares of Rs.10 each fully paid	1000
Public deposit	500
Profit and loss account balance	150
Mortgage loans	400
Development loans	250
Bank loans	1,000
Loan on companies policies	350
Outstanding premium	120
Sundry creditors	375
Outstanding expenses	125
Agents balances (Dr)	55
Investments on Govt. securities	1,200
Shares and debentures of joint stock companies	750
Claims outstanding	175
Investment reserve	100
Deposit with electricity board	50

Prepare the balance sheet of the company as on the 31.03.2019 supported by schedules. Market value of investments as on 31.03.2019 was Rs.18,00,000.

23. From the following balances of P Bank Ltd. as on 31st March, 2018, prepare its Balance Sheet in the prescribed form:

Paid-up share capital (share of Rs. 100 each fully paid)	20,00,000	Stamps & Stationery	10,000
Bills discounted	18,00,000	Cash in hand	5,00,000
Reserve fund	7,70,000	Cash with Reserve Bank	13,00,000
Cash credits	20,00,000	Branch adjustments (Dr.)	1,70,000
Overdrafts	8,00,000	Investments	9,50,000
Unclaimed Dividends	10,000	Loans (Cr.)	12,00,000
Loans	46,00,000	Recurring Deposits	10,00,000
Current deposits	38,00,000	Fixed Deposits	20,00,000
Furniture	40,000	Cash certificates	10,00,000
Profit & Loss A/c (Cr.)	2,20,000	Contingency Reserve	1,70,000

Adjustments: (a) Rebate on bills discounted Rs. 10,000 (b) Provide Rs. 80,000 for doubtful debts (c) Bank's acceptances on behalf of customers were Rs. 6,50,000

24. The following is the balance sheet of A Ltd. as on 31 -3-18

Particulars	Note no	Amount
EQUITY AND LIABILITIES		
Shareholders Fund		2,00,000
Share capital:		5,00,000
12% preference shares of Rs.100 each		
Equity shares of Rs.100 Each		2.26,750
Reserves and surplus		(2,78,250)
Reserves		
P&L account		1,00,000
Non-Current liabilities		
14% Debentures@100		1,37,250
Current liabilities		----------
Trade payables		8,85,750
		=========
Total		
ASSETS		2,33,500
Non-Current assets		
Tangible assets		4,06,200
Current assets		2,33,750
Inventories		

Trade receivables	12,300
Cash	----------
	8,85,750
Total	========

The following scheme of reconstruction was approved by the court

1) Preference shares reduced to Rs. 35, of which Rs. 20 will be represented by new 12% preference shares and Rs. 15 by new equity shares.

2) Each debenture of Rs. 100 is to be exchanged for Rs.50 of new 13% debentures, one new 12% preference shares of Rs.25 each and, four new equity shares of Rs. 2.50 each.

3) Each existing equity shares is to be reduced to Rs. 2.50.

The reduction of capital and reserves are utilized for writing off losses , 50% stock and debtors and balance, if any is used for writing down fixed assets.

Show necessary journal entries and revised balance sheet.

25. Prakash processors Ltd went into voluntary liquidation on 31-12-2017, when their ledger balances were as follows:

Balance Sheet

Liabilities	₹	Assets	₹
Share Capital			
10,000, 10% Cumulative Preference shares of Rs.100 each fully paid	10,00,000	Land & Buildings	5,00,000
5,000 Equity shares of Rs. 100 each, Rs. 75 paid	3,75,000	Plant & Machinery	12,50,000
15,000 Equity shares of Rs. 100 each, Rs. 60 paid	9,00,000	Patents	2,00,000
15% Debentures secured by a floating charge	5,00,000	Stock	2,75,000
Interest Outstanding on Debentures	75,000	Sundry Debtors	5,50,000
Creditors	6,37,500	Cash at Bank	1,50,000
		Surplus Account (Dr)	5,62,500
	34,87,500		34,87,50

Preference dividends were in arrear for two years. Creditors included preferential creditors of ₹ 76,000. Assets were realised as follows:

	₹
Land & Buildings	6,00,000
Plant & Machinery	10,00,000
Patents	1,50,000
Stock	3,00,000
Sundry Debtors	4,00,000

The expenses of liquidation amounted to ₹ 54,500. The liquidator is entitled to a remuneration of 3% on assets realised except cash at Bank.

Assuming the final payments including those on debentures were made on 30th June 2018,show the Liquidator's Final Statement of Account

(2×15=30)