QP CODE: 25019463

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Reg No : .....

Name : .....

B.COM DEGREE (CBCS)) REGULAR/ IMPROVEMENT/ REAPPEARANCE / MERCY CHANCE EXAMINATIONS, FEBRUARY 2025

Fourth Semester

Core Course - CO4CRT11 - CORPORATE ACCOUNTING II

(Common for all B.Com Degree Programmes)

2017 Admission Onwards

4565E262

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 claims?
2. What is reinsurance premium ceded?
3. Mention the items to be included in Schedule No. 3 of Life Insurance Company.
4. What is CRR?
5. Give any four examples of items appearing under Schedule 12 of banking company accounts.
6. What do you mean by internal reconstruction?
7. Pass journal entry for the following case of reconstruction. Creditors of Rs. 20,000 are finally settled at Rs. 16,000.
8. Define the term 'Amalgamation'.
9. What is the journal entry for the purchase consideration due in the book of transferee company?
10. Explain the situation when the process of absorption takes place?
11. What do you mean by winding up under the supervision of Court?

12. What is List A contributory?

(10×2=20)

Part B

*Answer any **six** questions.*

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

13. From the following information, calculate the amount of claim to be debited in the revenue account. Also give journal entries.

Claims paid during the year	Rs. 32,00,000
Claims outstanding at the beginning of the year	Rs.1,60,000
Reinsurance claim	Rs.1,80,000
Expense on claim	Rs.30,000
Claim intimated and accepted but not paid at the end of the year	Rs.1,20,000
Claim intimated but not accepted at the end of the year	Rs.90,000

14. Describe the items to be included in the revenue account of general insurance company.

15. Explain the assets classification of a banking company.

16. What do you mean by alteration of share capital? Explain the provisions in the Companies Act for alteration of share capital.

17. Chandru Ltd. resorted to internal reconstruction. The scheme is as under

a). 80,000 equity shares of Rs. 10 each fully paid to be converted into 40,000 equity shares of Rs. 5 each fully paid.

b). 4,000 12 % preference shares of Rs. 100 each fully paid to be converted into 40,000 equity sharesof Rs. 5 each fully paid.

c). 600 15% debentures of Rs. 1000 each to be discharged by the issue of 80,000 equity shares ofRs. 5 each fully paid.

d) The amount so available be appropriated to write off the following : P&L account debit balance Rs. 4,00,000, goodwill Rs. 2,00,000, plant and machinery Rs. 1,50,000. Pass necessary journal entries.

18. What do you mean by Amalgamation? Briefly explain the important terms related with the concept.

19. 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.

20. What is External Reconstruction? Explain its features.

21. XY Ltd. went into liquidation on 30th June, 2017. Prepare the Liquidator's Final Statement of Account to be presented to the court by the liquidator on completing the winding up process.

Preferential creditors	10,000
Unsecured creditors	1, 50,000
15% Debentures	2, 00,000
12% preference share capital: Shares of Rs. 10 each fully paid	3, 00,000
Liquidation expense	2,000
Secured creditors(securities realised Rs. 1,20,000)	1,60,000
Equity share capital: 40,000 shares of Rs. 10 each fully paid	4, 00,000

Liquidator is entitled to a remuneration @ 2% of all assets realised including assets held as security and 3% of amount paid to unsecured creditors including preferential creditors. Sundry assets realised Rs. 4,80,000.

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. The following is the trial balance of Secure Insurance company as on 31.03.2019:

	Dr.	Cr.
Cash in hand and at bank	1,00,000	
Investments	20,00,000	
Loans on policies	4,50,000	
Claims less reinsurance	8,50,000	
Annuities less reinsurance	1,50,000	
Consideration for annuity granted		3,50,000
Surrenders	2,50,000	
Premium less reinsurance		15,50,000
Bonus in cash	15,000	
Bonus in reduction of premium	5,000	
Life Assurance Fund		16,00,000
Interest dividend and rent less tax		30,000
Management expenses	80,000	
Commission	1,00,000	
Share capital: 1,00,000 shares of Rs.10 each Rs. 4 paid		4,00,000
Sundry creditors		70,000
	40,00,000	40,00,000

You are required to prepare the revenue account of the insurance company as on 31.03.2019 and its Balance sheet as on that date after taking the following matters into consideration:

i. Premium outstanding Rs.18,000

ii. Claims intimated but not admitted Rs.32,000

iii. Interest accrued Rs.16,000

iv. Claims covered under reinsurance Rs.14000

v. Further bonus in reduction of premium Rs.9000

vi. Management expenses due Rs.4000

23. From the following information, prepare Profit and Loss Account of XYZ Bank Limited.

Interest on Loan	2,59,000	Interest on Fixed Deposits	2,75,000
Establishment expenses	54,000	Commission	8,200
Interest on Cash Credit	2,23,000	Discount on bills	1,95,000
Rent and Taxes	18,000	Interest on Current Account	42,000
Directors' fees	3,000	Interest on overdraft	1,54,000
Interest on Savings Bank Deposit	68,000	Audit fees	1,200
Printing and Stationery	2,900	Postage and Telegram	1,400
Sundry Expenses	1,700		

Rebate on bills discounted amounted to 49,000. Bad debts to be written off 40,000. Provision for taxation shall be made at 40 %. Balance of profits brought forward from last year 1,20,000. Provide for dividends 20,000.

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. Tim Ltd. and Kim Ltd. decided to merge their business as on 28th March 2014 and their financial position on 31st March 2014 is given below.

Liabilities	Tim Ltd.	Kim Ltd.	Assets	Tim Ltd.	Kim Ltd.
Authorized Capital (100 each)	270000	720000	Fixed assets	250000	600000
Paid Up Capital	250000	500000	Investments	140000	82000
Creditors	75000	45000	Stock	44000	69000
Reserve Fund	87000	213000	Bank	6000	47000
P&L A/C	28000	40000			
	440000	**798000**		**440000**	**798000**

The holders of every three shares in Tim Ltd. were to receive five shares of Rs 10/- each in new company Dim Ltd. and the holders of two shares in Kim Ltd. were to receive four shares of Rs 10/- each in the new company and as much cash as is necessary to adjust the rights of shares holders of both the companies in accordance with the intrinsic values of the shares as per respective balance sheet. Pass necessary journal entries in the books of Tim Ltd. and Kim Ltd. to close their books of accounts.

(2×15=30)