QP CODE: E05076

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Reg No : .....

Name : .....

B.COM DEGREE CBCS PRIVATE EXAMINATION, JANUARY 2021

Fourth Semester

B.COM

CORE - CO4CRT11 - CORPORATE ACCOUNTING II

2017 ADMISSION ONWARDS

CFEFFCF2

Time: 3 Hours Max. Marks : 80

***Instructions**: 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**.*

Section I

Part A

Answer any ten questions.

Each question carries 2 marks.

1. What is reinsurance premium accepted
2. What is actuary
3. Differentiate between non-banking assets and non- performing assets.
4. Give any four examples of schedule 14 of bank's final accounts.
5. The Balance sheet of Archana Co. ltd. is as follows .

   Share capital and liabilities

   1,00,000equity shares of Rs. 10 each , Rs. 8 called and paid up 8,00,000

   Assets

   Sundry assets 8,00,000

   It is decided to cancel the uncalled liabilities on its shares , show the journal entries and redraft the balance sheet.
6. How do you close the balance of capital reduction account?
7. Pass journal entry for the following case of reconstruction,a)Creditors of Rs. 20,000 are finally settled at Rs. 16,000
8. What do you mean by Businss Combinations ? What are they?
9. Explain the term ' Taking over the Business'.
10. Explain when the external reconstruction is taken place?
11. What is Creditor's Voluntary Winding Up?
12. What is Deficiency Account?

(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. Explain the features of general insurance

15. Given below is an extract from trial balance of a bank as on 31/12/2017:

Particulars	Debit	Credit
Bill discounted	12,64,000	
Rebate on bill discount (1/1/2017)		8340
Discount received for the year		85912

An analysis of the bill discounted as shown below the following

Amount	Due date 2018	Rate of discount
1,40,000	March 6	5% p.a
4,36,000	March 12	4.5 % p.a
2,82,000	March 26	6% p.a
4,06,000	April 6	4% p.a

Show with workings, how the relevant items will appear in bank Balance Sheet as on December 31st 2017 and in the bank's P&L a/c for the period to December 31st 2017.

16. Distinguish between internal reconstruction and absorption

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)T o 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. The balance sheet of H Ltd. and M Ltd. as on 31st March 2013 are given.

Liabilities	H Ltd.	M Ltd.	Assets	H Ltd.	M Ltd.
Equity Share (10Each)	150000	125000	Goodwill	40000	10000
General Reserve	27000	15000	L & B	50000	45000
Profit and Loss A/C	8000	------	Debtors	30000	32500
Sundry Creditors	15000	19000	Stock	45000	25000

	Bank	35000	32300	
	Profit and Loss A/C	----	14200	
200000	159000		200000	159000

A new Company HM Ltd. was formed to take over the two business with the following agreement- H Ltd. L& B to be revalued at 32000/- , stock Rs 42000/- and debtors to be taken over at 90%. M Ltd. - Stock to be revalued at Rs 28000/-, debtors to be taken over at 75%. Calculate the purchase consideration of both the companies.

19. PQ Ltd. is formed to take over P Ltd. and Q Ltd. for Rs 200000/- and Rs 125000/- payable in equity shares of Rs 10 each. The Balance Sheet of P Ltd. as on 31st March 2017.

Particulars	Amount
Equities and Liabilities	
1. Share holders fund	
Share capital	175000
Reserve and surplus	15000
2. Current Liabilities	
B/P	1500
Creditors	10500
Total	202000
Assets	
1. Non Current Assets	
Land & Building	130000
Plant & Machinery	65200
2. Current Assets	
Stock	5000
Cash	1800
Total	202000

Prepare Realization Account and show the necessary journal entries in the books of P Ltd.

20. The following is the Balance sheet of Dilnin Ltd. as on 31st December 2018.

Liabilities	Amount	Assets	Amount
Equity Share Capital (Rs 10 each)	350000	Machinery	250000
Reserves	75000	Investment	175000
Surplus A/C	250000	Stock	155000
Creditor	20000	Bank	75000
		Preliminary Expenses	40000
	695000		695000

Doulin Ltd. takes over the above business for Rs 500000/- to be paid 75% in the form of equity

shares of Rs 10 each and balance in Cash. Prepare realization account and bank account in the books of Dilnin Ltd.

21. Distinction between Liquidation and Insolvency?

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

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

	In Lakh
Premium on direct business (including first year premium Rs.300lakh)	1,200
Reinsurance premium ceded	250
Reinsurance premium accepted	175
Claims paid	675
Surrenders	125
Commission on direct business	50
Commission on reinsurance ceded	20
Commission on reinsurance accepted	15
Consideration for annuity granted	40
Annuities paid	32
Interest dividend and rent (after deduction of income tax at source Rs.2 lakh)	23
Reinsurance claims received	12
Registration and renewal fees	2
Salaries and allowances	15
Managerial remuneration	3
General expenses	2
Depreciation on fixed asset	3
Profit on sale of investment	5

Adjustments:

1. Premium outstanding Rs.20 lakhs
2. Claims outstanding Rs.4 lakhs
3. Reinsurance claims receivable Rs.12 lakhs
4. Commission on direct business owing Rs.2 lakhs

23. Give the model form of the balance sheet of a banking company with suitable schedules(use imaginary figures).

24. The following are the Balance Sheets of Z Ltd. and A Ltd. as on 31st March 2018.

Liabilities	Z Ltd	A Ltd	Assets	Z Ltd.	A Ltd.
Share capital (Rs 10 Each)	300000	150000	Freehold premises	180000	--
General Reserve	36000	--	Machineries	49000	78000
Capital Reserve	--	24000	Current Assets		
Sundry Creditors	43000	33000	Stock	73000	67000
			Debtors	46000	39000
			Bank	31000	23000
	379000	207000		379000	207000

ZA Ltd. is formed to take over the business of both the companies for the purpose freehold premises of Z Ltd. is valued at Rs 230000/- and Machineries of both the companies are valued at 15% more than their book values. Goodwill of the companies are fixed at 20% of the net assets, the purchase consideration is discharged in fully paid equity shares at Rs 10/- each. Calculate purchase consideration, prepare realization account and bank account in the books of the amalgamated companies and open the books of ZA Ltd.

25. The following information is given to you:

Balance Sheet of Ajai Ltd. on March 31,2018

Liabilities	₹	Assets	₹
	2,00,000		
Share Capital		Land & Building	1,00,000
2,000 14% Preference shares of ₹ 100. fully paid-up		Machinery & Plant	2,50,000
1,000 Equity Shares of ₹ 100 each, ₹ 75 paid	75,000	Patents	40,000
3,000 Equity shares of ₹ 100 each, ₹ 60 paid	1,80,000	Stock at cost	55,000
14 % Debentures having a floating charge on all assets	1,00,000	Sundry Debtors	1,10,000
Interest Outstanding		Cash at Bank	75,500
Creditors	14,000	Profit & Loss Account	83,500
	1,45,000		
	7,14,000		7,14,000

The company went into liquidation on the above date.

The preference dividends were in arrear for two years. The arrears are payable on liquidation. Creditors include a loan for ₹ 50,000 on the mortgage of Land & Buildings. The assets were realised as follows:

	₹
Land & Buildings	1, 20,000
Machinery & Plant	2. 00,000
Patents	30,000
Stock	60,000
Sundry Debtors	80,000

The expenses of liquidation amounted to ₹ 10,900. The liquidator is entitled to a commission of 3 percent on all assets realised except cash and a commission of 2 percent on amount distributed among unsecured creditors. Preferential creditors amount to ₹ 15,000. Assume the payment was made on September 30, 2018.

Prepare the Liquidator's Statement of Account.

(2×15=30)