QP CODE: 21100875

21100875

Reg No : .....

Name : .....

B.Com DEGREE (CBCS) EXAMINATION, MARCH 2021

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

987A632E

Time: 3 Hours Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is contingent liability?
2. What is life assurance fund?
3. Define Banking.
4. Write a short note on standard assets and sub- standard assets.
5. Pass jouranal entry for cancellation of of unpaid amount of Rs. 2,00,000 in respect of 1,00,000 equity shares of Rs. 10 each Rs. 8 paid up.
6. Adhithi Co. Ltd with a share capital of 1,00.000 equity shares of Rs. 10 each fully paid , decides to repay Rs. 2 per share to shareholders , thus making each share Rs. 8 paid journalise the transaction.
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 is 'Transferee Company'?
9. What is Amalgamtion in the nature of Merger?
10. Mention two differences between external reconstruction and amalgamation.
11. Who is a Liquidator?
12. Assess the grounds for Compulsory winding up.

(10×2=20)

Part B

Answer any six questions.

Each question carries 5 marks.

13. On 31.03.2019, the Life Assuarance Fund of XY Life Assurance Company stood at Rs.1,48,60,000. Its net liability as per actuarial valuation as on that day was Rs.86,00,000. A dividend of Rs.8,00,000 was payable to the shareholders of the year 2018-19. But an interin bonus of Rs.4,50,000 was paid to the policy holders during the two year period ending 31.03.2019.
Prepare statements showing the amount now available as bonus to the policy holders.

14. Explain the features of general insurance.

15. How will you classify the following items for the purpose of balance sheet of schduled bank? Bills payable -Rs100 lakhs, unclaimed dividend -Rs 50lakhs, depreciation fund - Rs 100lakhs,liability for bill discounted - Rs 150 lakhs, liability for foreign exchange contract - Rs 50 lakhs, bullion -Rs20 lakhs, bill purchased and discounted - Rs 80 lakhs, cash credit and over draft -Rs 100 lakhs.

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

17. A company has equity share capital of Rs. 20,00,000 consisting of 20,000 shares of Rs. 100 each.1) It is resolved to sub divide the share in to shares of Rs.10 each 2) To ask the shareholders to surrender 50% of their shares. 3) to issue 60 % of the surrendered shares to 15% debenture holders of Rs. 8,00,000 in full settlement of their claim 4)to cancel the unissued surrendered shares .
Give journal entries in the books of the company..

18. LY Ltd. and AB Ltd. decided to amalgamate and new company LB Ltd. is formed to take over both the companies as on 31st March 2013.

Liabilities	LY Ltd.	LB Ltd.	Assets	LY Ltd.	LB Ltd.
Equity shares Rs 10 each fully paid	500000	300000	Good Will	100000	80000
Bank Overdraft	50000	50000	L& B	250000	190000
Creditors	50000	120000	Plant and Machinery	200000	245000
B/P	50000	30000	Patents	50000	57500
Reserve	220000	150000	Stock	150000	150000
General Reserve	20000	100000	Debtors	100000	50000
P/L A/C	20000	50000	B/R	10000	12500
			Bank	50000	10000
	910000	795000		910000	795000

The following is the agree values for the valuation of the business of the two companies. LY Ltd. – creates provision for bad debt @10% on debtors, writes off Rs 50000/- from the Land and Building, depreciate P&M at 15% and reduce the value of stock to 100000/- LB Ltd.- Writes off Plant and machinery by 10%, Writes off full value of patent and create provision for bad debt @ 4% on debtors. You are required to compute Purchase consideration for 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 are the balance sheets of X Ltd. Y Ltd. as on 31st March 2014.

Liabilities	X Ltd.	Y Ltd.	Assets	X Ltd.	Y Ltd.
Share capital	100000	50000	Premises	75000	0
Reserve	15000		- Machineries	25000	30000
Creditors	30000	12000	Stock	30000	22500
			Bank	15000	9500
	145000	**62000**		**145000**	**62000**

AB Ltd. was formed to take over the business of both the companies for the purposes of premises of X Ltd. is valued at Rs 100000/- and Machineries of both the companies are valued at 18% more than their book value. The purchase consideration is discharged in fully paid equity shares of Rs 15 each. Show the opening journal entries in the books of AB Ltd.

21. Explain the Preferential creditors of a company.

(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. From the following prepare the Profit & Loss Account of South Bank Ltd for the year ending 31-March 2018

Particulars	Rs in '000s
Interest on loan	300
Interest on fixed deposits	275
Commission	10
Exchange & Brokerage	20
Salaries & Allowances	150
Discount on bills	152
Interest on cash credit	240
Interest on temporary overdraft in current A/c	30
Interest on Saving Bank deposits	87
Postage and telegram	10
Printing and stationery	20
sundry expenses	10
Rent and taxes	25
Audit fees	10

Additional information:-

Rebate on bills discounted Rs 30000

Salary to MD Rs 30000

Bad debt provision Rs40000

Provision for Income Tax at 45%

24. The following is the summarized Balance Sheet of A Ltd. as on 31st March 2019.

	Particulars	Amount
	EQUITY & LIABILITIES	
1	Share Holders Fund	
	Share Capital (10each)	500000
	Reserve and Surplus	
	Insurance Fund	55000
	Reserve Fund	65000
	Surplus A/C	15000
2	Non Current Liabilities	
	Long term borrowings	
	Debentures (Rs 500)	150000
	Work men Savings bank	45000
3	Current Liabilities	
	Creditors	50000

	Total	**880000**
	ASSETS	
1	Non Current Assets	
	Fixed Assets	
	Land & Building	265000
	Plant machinery	185000
	Furniture	65000
2	Intangible Assets	
	Patent & Trade mark	45000
3	Current Assets	
	Inventories	250000
	Debtors	55000
	Cash	15000
	Total	**880000**

Z Ltd. agreed to take over A Ltd. on the following basis-

1. Payment of cash at Rs 75/- for every share in A Ltd.
2. Payment of cash at Rs 400/- for every debenture holder in full discharge of debentures.
3. Exchange of 3 shares of Z Ltd. of Rs 50 each (Market price is Rs 100/- each) for every share in A Ltd.
4. Show the necessary ledger A/C in the books of A Ltd. and opening entries in the books of Z Ltd.

25. AB Ltd went into liquidation with the following liabilities:-

1. Secured creditors ₹ 25,000 (securities realized ₹ 30,000)
2. Preferential creditors ₹. 5,000
3. Unsecured creditors ₹. 25,500
4. Liquidation expenses Rs. 2521.

Liquidator's remuneration- 2% on the amount realized and 1% on the amount distributed to unsecured creditors. ₹26,000 were realized from various assets and this amount does not include those securities which are with the secured creditors. Prepare Liquidator's Final Statement of Account.

Liquidator is entitled for remuneration on the amount realized on all assts including those which are with the secured creditors.

(2×15=30)