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K19U 2304

Reg. No. :

Name :

V Semester B.Com Degree (CBCSS-Reg./Supl./Imp.)

Examination, November - 2019

(2014 Admn. Onwards)

Core Course

5B11COM : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART - AAnswer **All** questions. Each carries $\frac{1}{2}$ mark.(4 \times $\frac{1}{2}$ =2)

1. Shares of larger denomination are converted into smaller denomination are called _____.
2. Assets acquired in satisfaction of claims are known as _____.
3. The statement prepared by the liquidator when the winding up is completed is known as _____.
4. Preliminary expense are charged in _____ incorporation period.

PART - BAnswer any **Four** questions. Each carries **1** mark.(4 \times 1=4)

5. What is Amalgamation?
6. What do you mean by SLR?
7. What is contingent liability?
8. What are profits prior to incorporation?
9. Who is a Contributory?
10. What is purchase consideration?

P.T.O.



PART - C

Answer any **six** questions (not exceeding one page). Each carries 3 marks. (6×3=18)

11. What are the difference between amalgamation and External reconstruction?
12. What is Slip system of posting? What are its advantages?
13. Give journal entries for the following transactions in connection with internal reconstruction.
 - a) 10,000 Equity shares of Rs.10 each fully paid, reduced to shares of Rs.5 each fully paid.
 - b) 100, 8% Debentures of Rs.1,000 each converted into 500, 6% debentures of Rs.100 each.
 - c) The debit balance of profit and loss account Rs. 50,000 and preliminary expenses of Rs.10,000 were written off.
 - d) The value of plant and machinery and stock were written down by Rs. 20,000 and Rs.10,000 respectively.
14. Calculate rebate on bills discounted as on 31st March 2010.

Date of bill	Amount	Period of bill	Rate of Discount
20/01/10	80,000	5 months	16%
10/02/10	40,000	4 months	18%
15/03/10	60,000	2 months	15%

15. What is statement of affairs? What are its contents
16. H Ltd was incorporated on 1st April 2003 to acquire the business of Haris and sons as a going concern with effect from 1st January 2003. The total sales for the year ended 31st December 2003 amounted to Rs. 3,00,000 of which Rs. 1,00,000 related to the first three months. The profit and loss account of the company for the year stood as follows.



STATEMENT OF P/L ACCOUNT

PARTICULARS	AMOUNT
I Revenue from operation(G)	60,000
II Add: Other Income	Nil
III Total Revenue	60,000
IV Less: Expenses:	
Employee benefit expenses	8,000
Finance cost (debenture interest)	1,000
Other Expenses:	
Rent	2,000
Sales commission	6,000
Discount	3,000
Directors fees	4,200
Audit fee	1,800
Bad debts	1,500
Total Expenses	27,500
V Net profit	,32,500

You are required to prepare a profit and loss account showing the profits earned during pre and post incorporation periods

17. TRIAL BALANCE (Extract) on 31/3/11

Items	Debit Rs.	Credit Rs.
Advance income tax 2009-10	80,000	
Advance income Tax 2010-11	85,000	
Provision for tax 2009-10		76,000

Adjustments

- 1) The income tax assessment of 2009-10 completed during the year showed a tax liability of Rs.93,000 but no effect has been given for this in the account.
- 2) Provision for income tax is to be made for Rs.84,000 for 2010-2011.
Show journal entries and ledger accounts.

P.T.O.



18. The following is the balance sheet of X Ltd as on the date of its acquisition by Y Ltd.

Particulars	Note No	Amount Rs.
I EQUITY AND LIABILITIES:		
(1) Shareholders fund		
• Share capital		10,00,000
• Reserves and Surplus		3,00,000
(2) Share application money Pending Allotment		
(3) Non current Liabilities		1,00,000
• Long term provision (employee PF)		4,00,000
(4) Current liabilities		
• Trade payable (creditors)		
TOTAL		18,00,000
II ASSETS:		
(1) Non current assets		
• Fixed assets:		
*Tangible assets	I	9,00,000
*Intangible assets (goodwill)		3,00,000
(2) Current Assets		
* Current investments		2,00,000
* inventories		3,50,000
* Trade receivable(debtors)		50,000
* Cash		
TOTAL		18,00,000

Notes to account

Particulars	Amount Rs.
Tangible assets	
Land and building	5,00,000
Machinery	4,00,000
	9,00,000

On acquisition, goodwill is valued at Rs.4,50,000, Land and Building at Rs.6,00,000 and stock at Rs.1,80,000. All assets and liabilities are taken over. Calculate the amount of purchase consideration.

**PART - D**

Answer any **Two** questions. Each question carries eight marks. (2×8=16)

19. The Balance sheet of Udaya Ltd. was as follows

Particulars	Note No	Amount Rs.
I Equity and liabilities		
1 Share holders fund		
(a) Share capital	1	2,00,000
(b) Reserves and surplus	2	1,04,000
2 Share application money pending allotment		
3 Non current liabilities		
Long term borrowings (debentures)		1,00,000
4 Current Liabilities		
(i) Trade payable		82,000
(ii) Short term provisions		3,500
Total		4,89,500
II Assets		
(1) Non current assets		
Fixed assets		
• Tangible assets	3	2,00,000
• Intangible assets		1,00,000
(2) Current assets		
• Inventories		83,000
• Trade Receivable	4	74,000
• Cash		32,500
		4,89,500

Notes to account

Share capital	
• 12,000, 6% preference shares of Rs.10 each	1,20,000
• 8,000 Equity Shares of 10 each	80,000
	2,00,000
Reserves and Surplus	
• General reserve	84,000
• Profits and Loss account	20,000
	1,04,000

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Tangible assets	
• Building	1,10,000
• Plant	90,000
	2,00,000
Trade receivables	
• Debtors	70,000
• Bills receivable	4,000
	74,000

Navodaya Ltd was registered and the following Scheme of reconstruction was arranged.

(1) All assets and liabilities except cash were transferred to Navodaya Ltd (2) The allotment of 11, 15% preference shares of Rs. 10 each fully paid for each ten preference shares held in Udaya Ltd. (3) Twenty equity shares of Rs. 10 credited as Rs. 9 paid for each 16 equity shares held. (4) Sufficient debentures to enable the existing debenture holders to be satisfied at a premium of 5% on their holding by the issue of 16% debentures in the Navodaya Ltd (5) The equity shares were made fully paid up and collecting the balance amount immediately after acquisition process. The expenses of liquidation of Udaya Ltd were Rs.7,500. Show ledger accounts in the books of Udaya Ltd

20. Samaj bank Ltd. With an authorised share capital of Rs, 10,00,000 in Rs.10 shares present you the following balances as on 31st march 2009 from which you are required to prepare the Balance sheet in the prescribed form
- | | |
|--|-----------|
| Subscribed and called up share capital | 10,00,000 |
| Profit balance on 1 st April 2008 | 1,10,000 |
| Cash credit and overdraft | 40,00,000 |
| Term Loans | 50,00,000 |
| Bills purchased and discounted | 10,00,000 |
| Current deposit | 30,00,000 |
| Savings bank deposit | 32,00,000 |
| Fixed deposit | 48,00,000 |
| Cash in hand | 3,00,000 |
| Calls in arrear | 10,000 |
| Cash with RBI | 5,00,000 |
| Money at call and short notice | 8,00,000 |



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Investment in Government securities	12,00,000
Land and Building	10,30,000
Furniture	50,000
Interest accrued on loans	1,50,000
Stamps and Stationery	3,000
Rebate on bills discounted	12,000
General reserve	60,000
Statutory Reserve	7,00,000
Profits of the current year before appropriation-	
-under sec 17	6,00,000
Borrowing from banks	4,53,000
Unclaimed dividend	8,000
Balance with banks	5,00,000
Bills payable	6,00,000

Claims against the banks not acknowledged as debt amounted to Rs.80,000. The bankers acceptance on behalf of customers amounts to Rs.3,00,000. Bills for collection amounted to Rs. 1,30,000.

21. What is amalgamation? Explain the different types of amalgamation?
