

**D 92566**

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**Name.....**

**Reg. No.....**

**THIRD SEMESTER B.Com. DEGREE (SUPPLEMENTARY/IMPROVEMENT)  
EXAMINATION, NOVEMBER 2015**

**(UG—CCSS)**

**Core Course**

**BC 3B 04—CORPORATE ACCOUNTING**

**(2010 Admission onwards)**

**Time : Three Hours**

**Maximum : 30 Weightage**

**Part A**

*Answer **all** questions.*

1. **A liability which is not actual one and become actual one on the happening of some uncertain event :**
  - (a) Current liability.
  - (b) Borrowings.
  - (c) **Contingent** liability.
  - (d) Non-performing assets.
2. New companies cannot issue their shares at :
  - (a) Discount.
  - (b) Premium.
  - (c) Par.
  - (d) None of these.
3. The amount payable by a purchasing **company** to the vendor company is called :
  - (a) Net assets value.
  - (b) Purchase value.
  - (c) Purchase price.
  - (d) Purchase consideration.
4. Merger is apart of :
  - (a) External reconstruction.
  - (b) Amalgamation.
  - (c) Reorganization.
  - (d) Absorption.
5. Premium on redemption of debentures is a ➡ ➡ to the business.
6. The annual payment an insurance company guarantees to pay in consideration in **lumpsum** received in advance is \_\_\_\_\_
7. Net asset can also be called as ➡ ➡
8. The main account prepared in connection with internal reconstruction is called ➡ ➡
9. What is the statement prepared by life insurance company to find out the profit ?
10. What is term used for When shares of larger denominations are converted into those of smaller denomination ?

Turn over

11. Name the document through which a large amount of loan is raised by a company instead of issuing a number of debenture.
12. Which is the main source of income and the amount which is received by the insurance company from the insured ?

(12 x  $\frac{1}{4}$  = 3 weightage)

### Part B

*Answer **all** questions.  
Each carries **1** weightage.*

13. What is meant by absorption ?
14. What are registered debentures ?
15. Define Underwriting.
16. What do you mean by forfeiture of shares ?
17. What are double and reinsurance ?
18. What do you mean by surrender value ?
19. Explain the term **CRR**.
20. What is an Unmarked application ?
21. What do you mean by **ISSUE OF SHARES AT SECURITIES. PREMIUM ?**

(9 x 1 = 9 weightage)

### Part C

*Answer any **five** questions.  
Each question carries **2** weightage.*

22. Explain the methods of calculating purchase consideration.
23. System of Posting a ledger in banking companies differ from posting in any other companies. Comment and explain the system of posting in a banking company.
24. What are non-banking assets ?
25. Define bonus in a insurance company and mention the types of bonus.
26. Following bills were discounted with a bank in respect of the year ended on 31.12.09 :

<i>No :</i>	<i>Date of bill</i>	<i>Amount</i>	<i>Term</i>	<i>Rate of discount</i>
1	20.12.09	50,000	3 months	8 %
2	10.09.09	75,000	4 months	9 %
3	20.10.09	40,000	3 months	7 %
4	... 15.11.09	30,000	5 months	5 %

Calculate rebate on bills discounted as on 31.12.09 and give the journal entries.

27. The following is the balance sheet of X Ltd. as on the date of its acquisition by A Ltd.,

<i>Liabilities</i>	<i>Amount</i> (Rs.)	<i>Assets</i>	<i>Amount</i> (Rs.)
Share capital	10,00,000	Goodwill	3,00,000
Reserve fund	3,00,000	Land and buildings	5,00,000
Creditors	4,00,000	Machinery	4,00,000
Employees P.F.	... 1,00,000	Stock	... 2,00,000
		Debtors	3,50,000
		Cash	... 50,000
	<hr/> 18,00,000 <hr/>		<hr/> 18,00,000 <hr/>

On acquisition goodwill is calculated at Rs. 4,50,000, L and B Rs. 6,00,000 and stock at Rs. 1,80,000. All assets liabilities are taken over. Calculate the amount of Purchase consideration.

28. E Ltd. forfeited 400 shares of Rs. 10 each (issued at a premium of Rs. 2 per share), which was included in the allotment amount for the non-payment of first and final calls of Rs. 2 and Rs. 2 respectively. Half of these shares are reissued as fully paid at Rs. 11 per share. Record necessary journal entries for the above forfeiture and reissue.

(5 x 2 = 10 weightage)

#### Part D

*Answer any two questions.  
Each carries 4 weightage.*

29. The following is the Balance Sheet of A, B, C Co. Ltd. on 31-12-09 :

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Capital	3,00,000	Land and buildings	... 2,00,000
Debentures	2,00,000	Plant and machinery	... 2,50,000
Creditors	60,000	Work in progress	... 60,000
Reservefund	50,000	Stock	... 1,20,000
Dividend equilisation fund	40,000	Furniture	25,000
Profit and Loss Account	50,000	Debtors	25,000
		Cash in hand	20,000
	<hr/> 7,00,000 <hr/>		<hr/> 7,00,000 <hr/>

Turn over

The company is absorbed P, Q, R Ltd. On the above date. The consideration for the absorption of the discharge of the debentures at a premium of 5 %, taking over the liability in respect of sundry creditors, and a payment of Rs. 7 in cash and 1 share of Rs. 5 in P, Q, R Co. of Rs. 8 per share in exchange for 1 share in ABC Co Ltd.

Pass journal entries in the books of ABC Co. LTD, to close the books of accounts and the statement of purchase consideration.

30. Ramson Ltd. invited applications for 1,00,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share payable Rs. 2 per share on application, Rs. 3 on allotment, Rs. 6 on 1<sup>st</sup> call (including premium) and balance on final call.

Applications were received Rs. 160,000 shares and allotment were made pro-rata to the applicants for 1,50,000 shares, the remaining applications were rejected and money refunded. Application money paid in excess by the allottees was adjusted with money due on allotment. Assuming that all the sums due were received, prepare journal entries and cash book in the books of company and show the balance sheet.

31. From the following particulars gathered from books of Akhila Assurance Co. Ltd. Prepare revenue Account for the year ended 31-3-2011:

	Rs.
Premium	62,00,000
Reinsurance premium ceded	8,00,000
Annuities less Reinsurance	6,00,000
Commission	4,50,000
Income tax on interest, dividend :	32,000
Registration fees received	15,000
Consideration for annuities granted	18,00,000
Director's fees	40,000
Other expenses	45,000
Audit fee	30,000
Interim bonus paid	80,000
Reinsurance premium accepted	5,50,000
Surrenders	3,50,000
Interest dividend rent	32,000
Claims by death	22,00,000
Claims by maturity of policies	21,00,000

Claims outstanding on 31-3-2011 amounts to Rs. 60,000 and premium outstanding amounts to Rs. 1,10,000.

(2 x 4 = 8 weightage)