

C 31091

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Name.....

Reg. No.....

THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2017

(CUCBCSS—UG)

Core Course

BCM 3B 04—CORPORATE ACCOUNTING

(2016 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

Answer all questions.

- I. 1 Shares enjoying disproportionate voting rights are called _____.
- 2 IFRS 10 deals with _____.
- 3 Loss on issue of debentures account is _____ asset.
- 4 Banks are required to transfer _____ % of their profit to statutory reserve.
- 5 For loss assets banking companies provide _____ % provision.
- II. 6 When an existing company offers its shares for sale to the existing shareholders, it is known as _____.
- (a) Private placement. (b) Bonus issue.
- (c) Right issue. (d) Offer for sale.
- 7 Which is the Government agency constituted for monitoring the insurance sector in India ?
- (a) RBI. (b) IRDA.
- (c) SEBI. (d) None of these.
- 8 Profit available for dividend excludes :
- (a) P/L A/c. (b) Share forfeited account.
- (c) General reserve. (d) Dividend equalisation reserve.
- 9 Capital Redemption reserve is used for _____.
- (a) For writing off capital losses.
- (b) For issuing partly paid bonus shares.
- (c) For issuing fully paid bonus shares.
- (d) None of the above.
- 10 Life assurance fund come under _____ schedule.
- (a) Schedule 6. (b) Schedule 7.
- (c) Schedule 5. (d) Schedule 3.

(10 × 1 = 10 marks)

Turn over

Part B*Answer any eight questions.*

- 11 What is Share based payment.
- 12 What do you mean by Ex-interest and Cum-Interest ?
- 13 What is interim dividend ?
- 14 Distinguish between double account system and double entry system.
- 15 What is IFRS ?
- 16 What do you mean by Rebate on bills discounted ?
- 17 What is Government Company ?
- 18 What is a lease ?
- 19 What is NPA ?
- 20 What is re-insurance ?

(8 × 2 = 16 marks)

Part C*Answer any six questions.*

- 21 Discuss the various methods of redemption of preference shares.
- 22 Write a note on IFRS 10.
- 23 What is right issue ? What are its advantages ?
- 24 What are the disclosure requirements in separate financial statements under Ind AS 27.
- 25 The abstract of the liability side of balance sheet of Sun Shine Ltd. as at March 31, 2015 was as follows :

Share Capital :

18,000, 9.5% cumulative redeemable preference shares of Rs. 100 each ...	18,00,000
40,000 Equity shares of Rs. 100 each fully paid up ...	40,00,000

Reserves :

Securities premium reserve ...	5,00,000
General reserve ...	9,00,000
Secured loans from institutions ...	18,00,000
Current liabilities and provisions ...	16,00,000

The board of directors decided to redeem the preference shares both by issue of fresh capital and by utilisation of reserves but without any further borrowings. You are required to advice them the scheme for redemption and give the journal entries for redemption.

- 26 On 1st January 2014, A Ltd., made a issue of 5,000, 5% debentures of Rs. 100 each at Rs. 90 per debenture. The terms of issue provided for redemption of Rs. 20,000 Debenture every year commencing from 2015 either by purchase or by drawing at par at the company's options. Rs. 5,000 was written off from the debenture discount account in 2014 and 2015. During the year 2015 the company purchased for cancellation debenture of the face value of Rs. 6,000 at Rs. 94 per debentures and Rs. 14,000 at Rs. 92 per debenture.

Pass necessary journal entries.

- 27 From the following details, compute the amount of provision required to be made in the profit and loss account of evergreen bank Ltd., for the year 2015-16.

<i>Assets</i>	<i>Rs. in lakhs</i>
Standard	... 1,600
Sub-standard	... 12,000
Doubtful :	
One year (secured)	... 4,800
For two to three years (secured)	... 3,600
For more than 3 years (secured by mortgage of Machinery worth Rs. 1,000 lakhs)	... 1,800
Non-recoverable assets	... 3,000

- 28 A life insurance company gets its valuation made once in every two years. Its life assurance fund on 31st March, 2015 amounted to Rs. 41,40,000 before providing Rs. 30,000 for the shareholders dividend for the year 2014-15. its actuarial valuation due on 31st March, 2015 disclosed a net liability of Rs. 40,40,000 under assurance annuity contracts.

An interim bonus of Rs. 60,000 was paid to the policyholders during the year ending 31st March, 2015.

Prepare a statement showing the amount now available as bonus to policyholders.

(6 × 4 = 24 marks)

Turn over

Part D

Answer any two questions.

29 From the following balances as on 31st December 2016, appearing in the electric light and power Co Ltd., you are required to prepare :

- Revenue Account ;
- Net revenue account ;
- Capital Account ; and.
- General Balance Sheet.

	Rs.		Rs.
Equity shares	1,09,800	Other debtors	100
Debentures	40,000	Cash	600
Lands on 31-12-2015	30,000	Stores on hand	1,400
Lands purchased in 2016	1,000	Cost of generating electricity	6,000
Machinery on 31-12-2015	1,20,000	Cost of distribution of electricity	1,200
Machinery purchased during 2016	1,000	Rent, rates and taxes	800
Mains including cost of laying On 31-12-2015	40,000	Management expenses	2,400
Spent on Mains in 2016	10,200	Depreciation	4,000
Sundry creditors	200	Sale of current	26,400
Depreciation fund	50,000	Rent of meters	600
Sundry debtors for current supplied	8,000	Interest on debentures	2,000
		Dividends	4,000
		Balance of net revenue account on 31-12-2015	5,700

- 30 From the following Particulars, prepare the final accounts of Madurai City Bank Ltd., as on 31-3-2016 :

Share capital : 1,00,000 shares of Rs. 10 each (Rs. 5 paid)		5,00,000
Reserve fund		10,00,000
Investment	30,00,000	
Premises	12,00,000	
Fixed Deposit		20,00,000
Savings Bank Deposits		30,00,000
Current account		70,00,000
Borrowed from the bank		2,00,000
Cash in hand	60,000	
Cash at Bank	28,00,000	
Money at call and short notice	3,00,000	
Interest accrued and paid	2,00,000	
Salaries	80,000	
Rent	30,000	
Profit and Loss Account (1-4-2015)		1,60,000
Interest earned		4,50,000
Bills discounted	5,00,000	
Bills payable		8,00,000
Loan, advance, overdraft and cash credits	70,00,000	
Unclaimed dividends		30,000
Sundry creditors		30,000
	1,51,70,000	1,51,70,000

The bank had the bills for Rs. 14,00,000 as collection for its customers and also acceptances and endorsements for them amounting to Rs. 4,00,000

31 The following is the statement of asset and liabilities of X Ltd., as on 31st March 2016.

Liabilities	Rs.	Asset	Rs.
12,000 shares of Rs. 10 each fully paid up	1,20,000	Land and Building	90,000
Sundry creditors	30,000	Machinery	50,000
Bank overdraft	28,000	Stock	17,000
		Debtors	20,000
		Discount on Shares	1,000
	1,78,000		1,78,000

The company went into voluntary liquidation and the asset were sold to Y Co. for Rs. 1,50,000 payable as to Rs. 60,000 in cash (which sufficed to discharge creditors and bank overdraft and pay the winding expenses of Rs. 2,000) and as to Rs. 90,000 by the allotment of Rs. 12,000 shares of Rs. 10 each of Y Co. Ltd., Rs. 7.50 per share paid up, to the shareholders of X Co. Ltd.

Draw up the journal entries and the necessary ledger accounts in the books of X Co. Ltd., and journal entries for recording these transactions in the books of Y Co. Ltd., on the basis of amalgamation in the nature of purchase.

(2 × 15 = 30 marks)