



K23U 1068

Reg. No. : .....

Name : .....

IV Semester B.Com. Degree (CBCSS – OBE-Regular/Supplementary/  
Improvement) Examination, April 2023

(2019 Admission Onwards)

Core Course

4B 05 COM : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries **1** mark.

1. What are current assets ?
2. What is proposed dividend ?
3. What is Capital Reduction Scheme ?
4. What do you mean by provision ?
5. What do you mean by external reconstruction ?
6. Explain the concept consolidation of shares.
7. Explain securities premium.
8. Explain the term preferential creditors.

(6×1=6)

PART – B

Answer **any six** questions from the following. **Each** question carries **3** marks.

9. What is net payment method of purchase consideration ?
10. What do you mean by contributory ? Describe the various types of contributories.

P.T.O.



11. X acquired the business of Y Ltd. for which X Ltd. pays Rs. 4,00,000 in equity shares of Rs. 10 each, Rs. 3,00,000 in 15% debentures of X Ltd. and Rs. 3,50,000 in cash. Creditors for Rs. 1,50,000 and employees' security deposit Rs. 30,000 are also assumed by X Ltd. Calculate Purchase Consideration.
12. What are the features of IFRS ?
13. What is profit prior to incorporation ?
14. Explain the concept over subscription of shares.
15. Define Accounting Standard. Explain its objectives.
16. Write the accounting entries in the books of purchasing company in the case of amalgamation. (6×3=18)

### PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. What do you mean by liquidation of a company ? Describe the different modes of winding up.
18. Prepare new format of statement profit and loss of a company.
19. The AB Company Ltd. and BC Company Ltd. decided to amalgamate and a new company ABC Company Ltd. is formed to take over both the companies as on 31<sup>st</sup> March 2022.

Liabilities	AB Co.	BC Co.	Assets	AB Co.	BC Co.
Equity shares of			Goodwill	10,00,000	8,00,000
Rs. 10 each fully paid	50,00,000	30,00,000	Land and		
Bank overdraft	–	5,00,000	Buildings	25,00,000	19,00,000
Sundry creditors	10,00,000	12,00,000	Plant and		
Bills payable	5,00,000	3,00,000	Machinery	20,00,000	25,50,000



Reserve fund	22,00,000	15,00,000	Patents	-	5,25,000
Dividend			Stock	20,00,000	15,00,000
Equalisation fund	-	10,00,000	Sundry debtors	10,00,000	5,00,000
Profit and Loss			Bills Receivable	-	2,25,000
Account	3,00,000	5,00,000	Cash at Bank	5,00,000	-
	<b>90,00,000</b>	<b>80,00,000</b>		<b>90,00,000</b>	<b>80,00,000</b>

The following is the accepted scheme of valuation of business of the two companies :  
AB Ltd. :

- a) Create provision for bad debts @ 5% on debtors
- b) Write-off Rs. 50,000 from Plant and Machinery
- c) Write-off 10% of stock

BC Ltd. :

- a) Write-off plant and machinery by Rs. 50,000
- b) Write-off patent by Rs. 25,000
- c) Create provision for bad debts @ 10% on debtors

You are required to compute purchase consideration for both the companies.

**(2×8=16)**

