



K15U 0064

Reg. No. :

Name :

III Semester B.Com. Degree (CCSS – Supple./Imp.)

Examination, November 2015

CORE COURSE IN COMMERCE

3B04 COM : Corporate Accounting

(2012/13 Admissions)

Time : 3 Hours

Max. Weightage : 30

PART – A

The bunches carrying **equal** weightage of **one**. Answer **all**.

- I. 1) Profit prior to incorporation is the profit from.
 - a) The date of acquisition of business to the date of commencement
 - b) Date of acquisition to the end of accounting year
 - c) Opening date to the date of acquisition
 - d) Date of acquisition to the date of incorporation
- 2) An instrument acknowledging debt under the seal of the company.
 - a) Debentures
 - b) Equity share
 - c) Preference share
 - d) Bonus shares
- 3) An agreement under which an underwriter makes a firm commitment to take up a specified number of shares is known as
 - a) Complete underwriting
 - b) Pure underwriting
 - c) Firm underwriting
 - d) Partial underwriting

P.T.O.



4) Assets acquired in satisfaction of claims.

- a) Banking assets
- b) Acquired assets
- c) Purchased assets
- d) Non-Banking assets

(W = 1)

II. Match the following :

- | | |
|-----------------------|--|
| 5) Net payment method | a) Reserves and surplus |
| 6) Share premium | b) Total of different modes of payment |
| 7) Goodwill | c) Travellers cheques |
| 8) Bills payable | d) Expenses |
| | e) Fixed Asset |
| | f) A part of Amalgamation |

(W = 1)

PART – B

Answer **any eight**. Each carries a weightage of **one**.

9. What is CRR ?
10. Give two examples for contingent liabilities.
11. What do you mean by amalgamation ?
12. Give journal entry for recording agreed purchase consideration.
13. What do you mean by sub-underwriting ?
14. What do you mean by marked application ?
15. Mention the total amount payable as management remuneration under the Indian Companies Act.
16. State the meaning of goodwill.
17. How will you calculate goodwill under super profit method ?
18. What are non-banking assets ?

(W = 8×1=8)



PART – C

Answer **any six**. Each carries a weightage of **two**.

- 19. Explain the main steps involved in Merger of companies.
- 20. Explain the common methods of valuing goodwill.
- 21. What do you mean by amalgamation in the nature of merger and nature of purchase ?
- 22. Describe the particulars of advances which must be given in the Balance Sheet of a Banking Company in India.
- 23. On 31st March 2011 the books of 'X' Bank had the following account balances :

	Rs.
Rebate on bill discounted 1-4-2010	4,00,000
Discount Received	95,00,000

On closing the books it is found that the discount received includes unexpired discount to be carried to the next year Rs. 5,49,000. Show the amount to be credited to P and C account under discount carried for the year 2010-11.

- 24. From the following particular of 'A' Ltd. you are required to calculate managerial remuneration if there is only one whole time director.

	Rs.
Net profit before provision for income tax and managerial remuneration but after depreciation and provision for repairs	4,35,205
Depreciation provided	1,55,000
Provision for repairs	12,500
Depreciation allowable	1,30,000
Actual repairs during the year	7,500



25. Three underwriters 'P', 'Q' and 'R' underwrite the public issue of 5000 shares of Rs. 100 each issued at par in the ratio 2 : 1 : 1. Application were received for 4500 shares including the marked forms.

P – 2000, Q – 1200 and R – 800

Determine the underwriters liability.

26. Profits of the firm for the last five years were :

Rs.	Rs.
2001 – 45,000	2002 – 55,000
2003 – 42,000	2004 – 38,000
2005 – 30,000	

The capital employed in the firm is Rs. 3,00,000.

Calculate the value of goodwill on the basis of 3 years purchase of super profit, assuming that the normal rate of return on capital employed is 10%.

(W = 6x2=12)

PART – D

Answer **any two**. Each carries a weightage of **four** :

27. From the following particulars, prepare the Final Accounts of K Bank.

	Dr.	Cr.
Share Capital 10000 shares of		
Rs. 10 each (Rs. 5 paid)		5,00,000
Reserve fund		10,00,000
Fixed deposits		20,00,000
Savings bank deposits		30,00,000



Current Accounts		70,00,000	
Borrowed from Bank		2,00,000	
Investments	30,00,000		-
Premises	12,00,000		-
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 (1-4-2008)		1,60,000	
Interest earned		4,50,000	
Bill discounted	5,00,000		
Bills payable		8,00,000	
Loans and advances, OD and 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 on collection for its constituents and also acceptances and endorsements for them amounting to Rs. 4,00,000.



28. D and L Ltd. have agreed to amalgamate. A new company DL Ltd. has been formed to takeover the combined concerns as on 31st Dec. 2006. After negotiations, the value of Assets of two companies have been agreed as shown in the following Balance Sheets.

Liabilities	D Ltd.	L Ltd.	Assets	D Ltd.	L Ltd.
Share capital			Land and Building	4,50,000	7,50,000
75000 × 10	7,50,000		Plant and Machinery	3,75,000	3,00,000
1,50,000 × 10		15,00,000	Goodwill	75,000	1,65,000
Sundry Crs.	75,000	1,20,000	Stock	30,000	2,25,000
Reserve Fund	75,000	—	Sundry Drs.	30,000	1,80,000
P and L a/c	75,000	75,000	Cash at Bank	15,000	75,000
	9,75,000	16,95,000		9,75,000	16,95,000

The assets and liabilities are takeover by DL Ltd. Show how the amount payable to each company is arrived at and prepare the Balance Sheet of the New Company.

29. Prepare a Balance Sheet of M Ltd. as on 31st March 1996 which has an authorised capital Rs. 6,00,000 consisting of 60,000 shares of Rs. 10 each.

	Rs.
Goodwill	25,000
Premises	3,70,000
Furniture (Opening)	7,200
Depreciations	360
Stock of goods	1,01,000
Sundry debtors	80,000
Machinery (Opening)	3,00,000
Depreciation	30,000



Cash in hand	750	
Cash at Bank	39,900	
14% Govt. Securities	60,000	
Preliminary Exp.	2,500	
Bills payable	38,000	
Creditors	50,000	
Provision for taxation	25,000	
18% debentures	3,00,000	
Interest on debenture due	9,000	
Called up capital	4,60,000	
Calls in arrears	7,500	
General reserve	25,000	
Addition to general reserve	10,000	
Loan to M.D.	2,650	
P and L Account	49,140	(W = 2x4=8)
