



M 2354



Reg. No. :

Name :

**III Semester B.A./B.Sc./B.Com./B.B.A./B.B.A.T.T.M./B.B.M./B.C.A./B.S.W./
B.A. Afsal UI Ulama Degree (CCSS – Reg./Supple./Improv.)
Examination, November 2012
CORE COURSE IN COMMERCE
3B04 COM : Corporate Accounting**

Time : 3 Hours

Max. Weightage : 30

PART – A

This part consists of **two** bunches of questions carrying **equal** weightage of **one**. Answer **all** questions.

- I. 1) Claims against a company not acknowledged an debt. is
 - a) Current liability
 - b) Unsecured loan
 - c) Contingent liability
 - d) Provisions
- 2) The intrinsic value of shares means
 - a) Total of assets
 - b) Assets liabilities
 - c) Assets/No. of shares
 - d) Net Asset/No. of shares
- 3) Internal reconstruction leads to
 - a) Increase in capital
 - b) Decrease in capital
 - c) No change in capital
 - d) Inflation in capital
- 4) NPA stands for
 - a) Net Profit Account
 - b) Non Performing Asset
 - c) Net Performing Asset
 - d) Net Premium Account

(W = 1)

- II. 5) The assets acquired in satisfaction of claims are called _____
- 6) Capital reduction account can also be called as _____
- 7) Merger is part of _____
- 8) Profit prior to incorporation is a _____ profit

(W = 1)

PART – B

Answer **any eight** questions in **one** or **two** sentences **each**. **Each** question carries a weightage of **one**.

- 9) Give any two examples of contingent liabilities.
- 10) What is profit prior to incorporation ?

P.T.O.



- 11) What is net worth ?
- 12) What is net payment method ?
- 13) What is consolidation of shares ?
- 14) What is Bills for collection ?
- 15) What is deficiency account ?
- 16) What is SLR ?
- 17) What is purchase consideration ?
- 18) Mention any two items coming under servers and surplus. (W=8×1=8)

PART – C

Answer **any six** questions. Answer **not** to exceed **one** page. **Each** question carries a weightage of **two**.

- 19) What are the items included under the Leading Current Liabilities and provisions ?
- 20) What is amalgamation ? How does it differ from absorption ?
- 21) Explain the features of Bank Accounting.
- 22) What are the advantages of Slip System of posting ?
- 23) On 1st March 2010 a bill of Rs. 5 lakh is discounted with a bank @ 18% per annum. The due date of the bill is 30th April 2010. Pass necessary journal entries in the books of the bank assuming that the bill is collected on the due date. Accounting year closes on 31st March every year.
- 24) The following is the Balance Sheet of X LTD. as on the date of its acquisition of Y LTD.

Liabilities		Assets	
Share capital	10,00,000	Good will	3,00,000
Reserve fund	3,00,000	Land and Building	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
	18,00,000		18,00,000

On acquisition good will 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.

- 25) A company with a share capital of Rs. 2,00,000 consisting of 10,000 shares of Rs. 20 each, sub-divides its shares into shares of Rs. 10 each. Pass journal entry for this purpose.



26) Mr. X has been appointed Liquidator of PQ LTD. Balance Sheet at the time of liquidation.

Share capital	2,00,000	Fixed assets	2,00,000
Debenture	1,00,000	Stock	25,000
Loans	50,000	Sundry Drs.	1,15,000
Creditors	50,000	Cash	15,000
		P and L a/c	45,000
	4,00,000		4,00,000

Fixed assets are sold for Rs. 1,20,000 to a debenture holder 'A' holding Rs. 40,000 debentures and cash in received after set off.

Cash realised from debtors. was Rs. 70,000 and the liquidation expenses amounted to Rs. 1,000. Liquidator is paid Rs. 1,000 fixed allowance plus 2% commission on collection as his remuneration. Stock is sold for Rs. 10,000.

Prepare the liquidators final statement of accounts. (W = 6×2=12)

PART – D

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

27) The following are the figures extracted from the books of 'X' Bank LTD. as on 31-3-2009.

	Rs.
Interest and discount received	20,30,000
Interest paid	12,02,000
Capital	5,00,000
Reserve u/s 17	3,50,000
Commission	90,000
Rent received	30,000
Profit on sale of investment	95,000
Salaries and allowances	1,05,000
Directors fees	12,000
Rent and taxes paid	54,000
Stationery and printing	12,000
Postage and telegram	25,000
Other expenses	12,000
Audit fees	4,000
Depreciation	12,500



Other information :

- 1) Provision for bad debts. Rs. 50,000.
- 2) Rebate on bills discounted 31-3-2009 Rs. 7,500.
- 3) Provide Rs. 3,50,000 for income tax.
- 4) The director desire to declare 10% dividend. Prepare profit and loss a/c in accordance with law.

28) The following is the Balance Sheet of B LTD. as on 31-12-2006.

Share capital	1,20,000	Land and Building	1,00,000
Creditors	30,000	Plant	40,000
Bank overdraft	28,000	Stock	15,000
		Debtors	22,000
		P and L a/c	1,000
	1,78,000		1,78,000

The assets of the company has been taken over by X LTD. for a consideration of Rs. 1,50,000, payable as to Rs. 60,000 in cash (which sufficient to discharge the creation and bank and pay the cost of winding up Rs. 2,000) and as to Rs. 90,000 by the allotment of 12,000 shares of Rs. 10 each of X LTD. Rs. 7.50 per share paid up to the share holders of B LTD.

Give accounts in the book of B' LTD.

29) H LTD. was incorporated on 1st April 2003 to acquire the business of Y LTD. as a going concern with effect from 1st Jan. 2003. The total sales for the year ended 31st Dec. 2003 amounted to Rs. 3,00,000 of which Rs. 1,00,000 related to the first three months. The P and L a/c of the company for the years stood as follows.

		P and L a/c	
To Salaries	8,000	By Gross profit b/d	60,000
" Rent	2,000		
" Sales commission	6,000		
" Discount	3,000		
" Directors fees	4,200		
" Audit fee	1,800		
" Debenture interest	1,000		
" Bad debts.	1,500		
" Net profit	32,500		
	60,000		60,000

You are required to prepare a P and L a/c sharing the profit earned during pre-incorporation and post-incorporation periods.

(W=2×4=8)