K15U 0064
Reg. No.: $\qquad$
Name: $\qquad$

# III Semester B.Com. Degree (CCSS - Supple./Imp.) <br> 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
4) Assets acquired in satisfaction of claims.
a) Banking assets
b) Acquired assets
c) Purchased assets
d) Non-Banking assets

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(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

## 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?
$(W=8 \times 1=8)$

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 $31^{\text {st }}$ 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
Provision for repairs
1,55,000

Depreciation allowable
Actual repairs during the year 12,500

1,30,000
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.
2001-45,000
2003-42,000
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 $10 \%$.

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(W=6 \times 2=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

$$
\text { Rs. } 10 \text { each (Rs. } 5 \text { paid) }
$$

5,00,000
Reserve fund
Fixed deposits
10,00,000

Savings bank deposits
20,00,000
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 |  | - |
| Bill discounted |  | $-50,000$ |
| Bills payable |  |  |
| Loans and advances, OD and Credits | $70,00,000$ | $8,00,000$ |
| Unclaimed dividends |  | 30,000 |
| Sundry creditors | $1,51,70,000$ | $1,51,70,000$ |

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 $31^{\text {st }}$ Dec. 2006. After negotiations, the value of Assets of two companies have reen agreed as shown in the following Balance Sheets.

| Liabilities | DLtd. | LLtd. | Assets | D Ltd. | L Ltd. |
| :--- | ---: | ---: | :--- | ---: | ---: |
| Share capital |  |  | Land and Building | $4,50,000$ | $7,50,000$ |
| $75000 \times 10$ | $7,50,000$ |  | Plant and Machinery | $3,75,000$ | $3,00,000$ |
| $1,50,000 \times 10$ |  | $15,00,000$ | 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 |
|  | $\mathbf{9 , 7 5 , 0 0 0}$ | $\mathbf{1 6 , 9 5 , 0 0 0}$ |  | $\mathbf{9 , 7 5 , 0 0 0}$ | $\mathbf{1 6 , 9 5 , 0 0 0}$ |

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 $31^{\text {st }}$ 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 | $(W=2 \times 4=8)$ |
| Loan to M.D. | 2,650 |  |
| Pand L Account | 49,140 |  |

