



K16U 1837

Reg. No.:

Name:

V Semester B.Com. Degree (CBCSS – 2014 Admn. – Regular)
Examination, November 2016
Core Course
5B11 COM : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark.

1. Unclaimed dividend is shown on the liability side of the Balance Sheet under the heading _____
2. Payments made to debenture holders and cost of absorption have been _____ for the calculation of purchase consideration.
3. Amount distributed to unsecured creditors is credited in the _____ Account.
4. _____ is a method of rapid posting of books of account kept on double entry systems of bank. (4× $\frac{1}{2}$ =2)

PART – B

Answer **any four** questions. **Each** carries **one** mark.

5. What is a non-performing asset ?
6. State the meaning of 'true and fair view'.
7. What do you mean by purchase consideration ?
8. Who is a liquidator ?
9. What is money at call and short notice ?
10. Give two examples for secured loans. (4×1=4)

P.T.O



PART – C

Answer **any six** questions. **Each** carries **three** marks. Not exceeding **one** page.

11. Explain the accounting treatment of business acquisition when same set of books are continued.
12. Briefly explain methods of computing purchase consideration.
13. A Ltd. agrees to take over the business of B Ltd. on the following terms :
 - 1) The shareholders of B Ltd. are to be paid Rs. 25 in cash and the offer of four shares of Rs. 10 each in A Ltd. for every shares of B Ltd. has 50,000 equity shares outstanding.
 - 2) The debenture holders holding 5,000 debentures of Rs. 100 each are to be redeemed at a premium of 10%.
 - 3) Cost of liquidation amounting to Rs. 25,000 are to be borne by A Ltd.

Compute Purchase Consideration.

14. Given below is an extract from the trial balance of a bank as on December 31, 2014.

Particulars	Debit (Rs.)	Credit (Rs.)
Bills discounted	12,64,000	
Rebate on bills discounted (Jan. 1, 2014)		8,340
Discount received for the year		85,912

An analysis of the bills discounted are shows as the following :

Amount (Rs.)	Due date 2015	Rate of discount
1,40,000	March 6	5% p.a.
4,36,000	March 12	4.5% p.a.
2,82,000	March 26	6% p.a.
4,06,000	April 6	4% p.a.

Show with workings, how the relevant items will appear in the Bank's Balance Sheet as on December 31, 2014 and in the bank's Profit and Loss Account for the period to December 31, 2014.



- 15. A company had issued share capital of Rs. 20,00,000 in Rs. 10 equity shares. It had share premium of Rs. 1,50,000, capital redemption reserve account of Rs. 75,000 and undistributed profit of Rs. 8,80,000. It was decided that fully paid up bonus shares of Rs. 10 each be issued at the rate of one share for every four existing shares and that this resolution be carried out by using the minimum amount of undistributed profits. You are required to give journal entries.
- 16. The liquidator of a company in voluntarily liquidation is entitled to a remuneration of 3% on the amount realised and at 2% on the amount distributed to the unsecured creditors. Unsecured creditors including preferential creditors of Rs. 5,000 amounted to Rs. 40,000.
Debenture holders were paid Rs. 51,875 together with interest. Preferential creditors were paid in full Rs. 510 were spent as costs of liquidation. Cash on hand was Rs. 1,000 and assets realised Rs. 79,000. Find the Liquidator's total Remuneration.
- 17. Discuss steps to calculate profit or loss prior to incorporation date.
- 18. Give a brief account on Firm underwriting. (6×3=18)

PART – D

Answer **any two** questions. **Each** carries **eight** marks.

- 19. The following is the trial balance of Nakul Ltd. as on 31st March 2014.

	Rs.	Rs.
Stock on 1 st April 2013	75,000	
Purchases Return		10,000
Purchases and Sales	2,45,000	3,40,000
Wages	30,000	
Discount		3,000
Carriage Inward	950	
Furniture and Fittings	17,000	
Salaries	7,500	
Rent	4,000	
Sundry expenses	7,050	
Profit and Loss Appropriation A/c 31 st March 2013		15,000



Dividend paid for 2012-13	9,000	
Share Capital		1,00,000
Debtors and Creditors	27,500	17,500
Plant and Machinery	29,000	
Cash at Bank	46,200	
General Reserve		15,500
Patents and Trade Marks	4,800	
B/R and B/P	5,000	7,000
	5,08,000	5,08,000

Prepare Trading Account and Profit and Loss Account for the year ended 31st March 2014. Take into consideration the following adjustments.

- 1) Stock on 31st March, 2014 was valued at Rs. 88,000
 - 2) Make a provision for income tax @ 50%
 - 3) Depreciate plant & machinery @ 15%, furniture and fittings at 10% and patents and trade marks at 5%.
 - 4) On 31st March 2014 outstanding rent amounted to Rs. 800 while outstanding salaries totalled Rs. 900.
 - 5) The Directors propose a dividend @ 15% per annum for the year ended 31st March 2014 after the minimum transferred to general reserve as required by law.
 - 6) Make provision for doubtful debts amounting to Rs. 510.
 - 7) Provide for managerial remuneration at 10% of net profits before tax.
20. The Trial Balance of Zenith Bank Ltd. made up as on 31st March 2014 contains the following items.

Loans, cash credits and overdrafts	4,00,00,000
Term loans	1,00,00,000
Bills discounted and purchased	2,50,00,000

You are required to show how these items will appear in the Balance Sheet. Also prepare Schedule 9 with imaginary figures.

21. What is liquidation ? Describe types of liquidation.

(8×2=16)