



K23U 2873

Reg. No. :

Name :

V Semester B.Com. Degree (CBCSS – Supplementary)
Examination, November 2023
(2017 and 2018 Admissions)
(Core Course)
5B11COM : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

- I. Answer **all** questions. Each carries $\frac{1}{2}$ mark.
- 1) Debentures are shown in the Balance Sheet under
 - 2) Gross profit is to be apportioned between pre and post incorporation periods in _____ ratio.
 - 3) Net assets minus capital reserve is
 - 4) Rebate on bills discounted is also known as (4× $\frac{1}{2}$ =2)

PART – B

- II. Answer **any four** questions. Each carries **one** mark.
- 5) What is meant by authorized capital ?
 - 6) State the accounting treatment of loss prior to incorporation.
 - 7) What is meant by mergers ?
 - 8) What is alteration of capital ?
 - 9) What is meant by liquidation of a company ?
 - 10) What are restrictions on the business of a banking company ? (4×1=4)

PART – C

- III. Answer **any six** questions (**not** exceeding **one** page). Each carries **three** marks.
- 11) What are non-performing assets ?
 - 12) Why is it necessary to compute profit prior to incorporation ?
 - 13) How amalgamation, absorption and external reconstruction differ from each other ?

P.T.O.



- 14) Describe various types of contributories.
- 15) A liquidator is entitled to receive remuneration @ 2% of the assets realised and 3% of the amount distributed among the unsecured creditors,
The assets realised ₹ 25,00,000 against which payment was made as follows :

	₹
Liquidation expenses	25,000
Preferential creditors	75,000
Secured creditors	10,00,000

Calculate the remuneration payable to the liquidator.

- 16) A company resolved the following :
- To reduce its 50,000, 14% preference shares of ₹ 10 each, to an equal number of 15% preference shares of ₹ 8 each.
 - To reduce 50,000 equity shares of ₹ 10 each to an equal numbers of ₹ 6 each.
 - To reduce 15% debentures of ₹ 6,00,000 to 16% debentures of ₹ 5,00,000.
 - To write off Profit and Loss account (Dr.) balance ₹ 1,00,000; goodwill ₹ 1,00,000; Special project ₹ 75,000; to write down machinery by ₹ 60,000 and inventory by ₹ 45,000.

Give journal entries.

- 17) Calculate the amount of provision required for the Metro Bank of Chennai for the year ended 31-03-2019.

	₹
Standard assets	42,20,000
Substandard assets (secured)	3,60,000
Doubtful debts	
1 year (unsecured ₹ 6,000)	50,000
2 years (unsecured ₹ 3,000)	30,000
5 years (secured ₹ 5,000)	12,000
Loss assets	5,000

- 18) Following are the details of X Ltd. and Y Ltd.

	X Ltd.	Y Ltd.
Fixed assets	22,00,000	11,00,000
Current assets	9,30,000	4,65,000

Market value of an equity share of X Ltd. at present is ₹ 100.

Calculate purchase consideration if X Ltd. agrees to take over the assets of Y Ltd. and to discharge the purchase consideration by issuing equity shares of ₹ 10 each at ₹ 55.

(6×3=18)



PART – D

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

19) What is purchase consideration ? Explain different methods of calculating it.

20) Following are the ledger balances of Sunflower Ltd. as on 31-03-2019.

Debit balances	₹	Credit balances	₹
Opening stock	27,400	Sales	3,68,500
Land and Building	6,00,000	Income from investment	1,52,800
Computers	1,80,000	Sundry creditors	12,400
Furniture	85,000	Term loans from Bank	4,60,000
Salary	1,12,800	Equity share capital (80,000 shares of ₹ 10)	8,00,000
Tax expenses	12,000	General Reserve	1,00,000
Purchases	2,00,000	Bills payable	12,000
Office expenses	18,400		
Rent	18,000		
Electricity	10,400		
Postage	10,000		
Repairs	6,800		
Sundry debtors	84,600		
Bills receivable	12,900		
Bank	82,000		
Cash	6,500		
Investment	4,40,900		
	19,05,700		19,05,700

Additional Information :

- 1) Provide for depreciation on land and building @ 2% and on computers @ 10%.
- 2) Remuneration payable to Managing Director ₹ 31,290.
- 3) Provide for doubtful debts @ 5% on debtors.
- 4) Closing stock ₹ 50,000.
- 5) Transfer ₹ 50,000 to General reserve.

Prepare final accounts of the company.



21. From the following balances prepare Balance Sheet of Punjab Bank Ltd. as on 31-3-2019.

	₹
Equity share capital	20,00,000
Statutory reserve (after transferring 25%)	10,00,000
Capital Reserve	4,00,000
Securities premium	4,00,000
P and L a/c balance	14,00,000
Demand deposit	24,00,000
Term deposit	20,00,000
Savings bank deposit	28,00,000
Borrowing from RBI	24,00,000
Borrowing from other banks	1,05,40,000
Bills payable	30,00,000
Inter office adjustments (Cr.)	14,00,000
Cash in hand	14,00,000
Balance with RBI	25,40,000
Money at call and short notice	45,00,000
Investments in government securities	28,00,000
Investments in shares	25,00,000
Gold	20,00,000
Term loans	50,00,000
Cash credit	35,00,000
Premises	25,00,000
Rebate on bills discounted	1,00,000
Non-banking asset	70,000
Furniture	30,000

The authorised capital of bank is ₹ 40,00,000 in equity share of ₹ 10 each. There is a contingent liability on account of acceptance and endorsements ₹ 3,00,000. The bank has bill for collection amounting to ₹ 10,00,000 on 31-03-2019.

(2×8=16)