



K21U 1067

Reg. No. :

Name :



IV Semester B.Com. Degree CBCSS (OBE) Regular
Examination, April 2021
(2019 Admission Only)
Core Course
4B 05 COM : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries **1** mark.

1. Who is a Contributory ?
2. What is External Reconstruction ?
3. What do you mean by Profit prior to incorporation ?
4. What is Calls in Arrears ?
5. What is IFRS ?
6. What do you mean by Purchase Consideration ?
7. Write any two sources of redemption of preference shares.
8. Who is Liquidator ? (6x1=6)

PART – B

Answer **any six** questions from the following. **Each** carries **3** marks.

9. X Ltd. acquires the business of Y Ltd. for which X Ltd. pays Rs. 5,00,000 in equity shares of 10 each, Rs. 2,50,000 in 12% Debentures of X Ltd. And Rs. 3,00,000 in cash. Creditors for Rs. 50,000/- and Employees Security deposit Rs. 20,000 are also assumed by X Ltd. Calculate Purchase Consideration under Net payment method.
10. What is weighted Time ratio and how it is calculated ?
11. What do you mean by Amalgamation, explain its types ?

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12. Write down the differences between INDAS and IFRS.
13. A liquidator is entitled to receive remuneration @ 4% on the amount paid to unsecured creditors. The amount due to unsecured creditors is 5, 00,000 and the amount available for unsecured creditors before charging such commission on amount paid to unsecured creditors is Rs. 2,08,000. Calculate commission.
14. How Securities Premium account can be utilised ?
15. Mention some objectives of financial statements.
16. A Company has equity share capital of Rs. 20,00,000 consisting of 20,000 shares of 100 each.
 - i) It is resolved to sub divide the shares into shares of 10 each.
 - ii) Shareholders are asked to surrender their 50% shares
 - iii) To issue 60% of the surrendered shares to 15% debenture holders of Rs. 8,00,000 in full settlement of their claims.

Give journal entries.

(6×3=18)

PART – C

Answer any two questions from the following. **Each** question carries **8** marks.

17. K Ltd. was incorporated on 1st April 2019 to acquire the business of M Ltd. with effect from 1st January 2019. The total sales for the year ended on 31st December 2019 amounted to Rs. 3,00,000- of which Rs. 1,00,000 related to first three months. The statement of profit and loss of the company for the year ending 21st December 2019 stood as follows.

Statement of profit and loss

Particulars	Amount
Revenue from operations (Gross Profit)	60,000
Employee benefit expense ;	
Salaries	10,000
Finance costs ;	
Debenture interest	1,000
Bank charges	1,000



Other Expenses	
Carriages	6,000
Discount	3,000
Directors fees	4,200
Bad debts	1,500
Audit Fees	3,800
Repairs	1,000
Miscellaneous expenses	4,000
Total expenses	35,500
Profit	24,500

You are required to prepare a statement showing profits for pre-incorporation and post incorporation periods.

18. Prepare format of statement of Profit & Loss account as per Schedule VI of Companies Act.
19. The Abstract of the Balance Sheet of the ABC Ltd. as at 31st December 2019 are as follows :

Liabilities – Equity share capital (20000 shares of 100 each) – 20,00,000;
12% Preference share capital (8000 shares of 100 each) – 8,00,000,
8% Debentures – Rs.4,00,000.

On 31st December 2019, XYZ Ltd. agreed to take over ABC Ltd. on the following terms :

- 1) For each preference shares in ABC Ltd. Rs.10 in cash and one 9% preference share of Rs.100 in XYZ Ltd.
- 2) For each equity share of ABC Ltd. Rs. 20 in cash and one equity share in XYZ Ltd. for Rs.100 each. It was decided that the share of XYZ Ltd. will be issued at market price Rs.140 per share.
- 3) Liquidation expenses of ABC Ltd. are to be reimbursed by XYZ Ltd. to the extent of Rs.10,000. You are required to compute the amount of purchase consideration.

(2×8=16)