



22102761

QP CODE: 22102761

Reg No :

Name :

B.COM DEGREE (CBCS) REGULAR EXAMINATIONS, AUGUST 2022

Fourth Semester

Core Course - CO4CRT11 - CORPORATE ACCOUNTING II

(Common for all B.Com Degree Programmes)

For Regular Candidates : 2020 Admission Only

For Private Candidates : 2017 Admission Onwards

38922381

Time: 3 Hours

Max. Marks : 80

*Instructions to Private Candidates Only : This question paper contains **two** sections. Answer **Section I** questions in the answer book provided. **Section II**, Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under **Section II***

Section I

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Name the contingent liability of an insurance company.
2. What is premium?
3. What is actuarial valuation?
4. What is SLR?
5. Define unexpired discount and show journal entry.
6. What do you mean by subdivision of share capital?
7. What is reorganization of capital?
8. What do you mean by Business Combinations ? What are they?
9. What do you mean by Purchase Consideration?
10. Explain any two differences of Absorption and External Reconstruction.
11. State the different types of voluntary winding up.



12. What is Deficiency Account?

(10×2=20)

Part B

Answer any six questions.
Each question carries 5 marks.

13. How do you prepare valuation balance sheet?
14. What are the types of general insurance policies?
15. What is rebate on bill discounted? How it is treated while preparing final accounts?
16. What is internal reconstruction? Explain the procedure for internal reconstruction.
17. The share capital of A Ltd. consists of the following
a) 10,000 6% preference shares of Rs. 100 each
b) 50,000 equity shares of Rs. 10 each
The shares were fully paid up. The Co. has accumulated losses to the extent of Rs. 3,50,000, preliminary expense Rs. 20,000 and fixed assets are overvalued to the extent of Rs. 4,00,000.
The scheme of capital reduction permits to write off overvalue of fixed assets, losses and expenses. Under this scheme, 6% preference shares are to be converted into 8% preference shares of Rs. 60 each and equity shares are converted in to shares of Rs. 2 each. Pass necessary journal entries.
18. 'In amalgamation, normally the liabilities are taken over by the transferee company, but some items may not be taken.' - Comment on the statement and give suggestions for solving the same.
19. The following is the B/S of LALA Ltd. as on 31st March 2014.

Liabilities	Amount	Assets	Amount
Equity shares (Rs 10 each)	75000	Tangible assets	75000
Sundry Creditors	25000	Machinery	5500
Bank OD	18000	Stock	19000
		Sundry Debtors	17000
		P & L Account	1500
	118000		118000

D Ltd. Decided to take over the assets and liabilities of the LALA Ltd. for Rs 200000/-. Make necessary journal entries in the books of D Ltd. to incorporate the assets and liabilities of LALA Ltd. in the books of D Ltd.

20. The Balance Sheet of Nima Ltd. was as follows

Liabilities	Amount	Assets	Amount
8% Preference Share Capital	100000	Good will	60000
Equity share capital	75000	Building	75000
Debentures	50000	Plant	15000
Creditors	30000	Stock	40000
Profit and Loss A/c	10000	Debtors	50000
		Cash	25000
	265000		265000

Tiya Ltd. was registered and the following scheme of reconstruction was arranged.

- All the assets and liabilities except cash were transferred to Tiya Ltd.
- The allotment of eight preference shares of Rs 10/- each fully paid for each 5 preference shares held in Tiya Ltd.
- 10 equity shares of Rs 10/- each credited as Rs 10/- for each 15 shares held.
- Debentures will be retained as same

Show the realization account in the books of Nima Ltd. and opening entries in the books of Tiya Ltd.

21. Distinction between Liquidation and Insolvency.

(6×5=30)

Part C

Answer any two questions.
Each question carries 15 marks.

22. Given below are the ledger balances of Maharaja General Insurance Company as on 31.03.2019 after the preparation of revenue and profit and loss accounts:

	(Rs.000)
Share capital: 2,00,000 shares of Rs.10 each fully paid	2,000
Reserve for unexpired risk:	
Fire	1,600
Marine	1,400
Premises	1,500
Cash in hand	3,600
Contingency reserve	400



Fixed assets	20,00,000
<u>Current asset</u>	
Inventories	2,50,000
Trade receivables	3,50,000
Cash	50,000

TOTAL	26,50,000
	=====

The fixed assets on that date were revalued at Rs. 9,60,000, stock at Rs. 2,00,000, debtors at Rs. 2,30,000

The following scheme of reconstruction was taken:

- 1) The shares are subdivided into shares of Rs. 5 each and 90% of the shares were surrendered
- 2) The total claim of the debenture holders was reduced to Rs. 4,90,000 and in consideration of this, they were also allotted shares (out of surrendered shares) amounting to Rs. 2,50,000
- 3) The creditors agreed to reduce their claim to Rs. 3,00,000, 1/3rd of which was satisfied by the issue of equity shares out of those surrendered.
- 4) The shares surrendered but not reissued were cancelled.

Draft journal entries and give balance sheet of the company after reconstruction.

25. Give a pro-forma of Liquidator's Final Statement of Account with imaginary figures.

(2×15=30)

