

S.NO: 22N1- UC

Course Code: BCI

A.D.M.COLLEGE FOR WOMEN, NAGAPATTINAM

(AUTONOMOUS)

B. Com Degree Examination

V Semester – November – 2022

CC IX – CORPORATE ACCOUNTING

Time: 3 hours

Maximum Marks: 75

Section –A

10X2=20

Answer **ALL** the Questions

1. What do you mean by Equity Shares?
2. What is the Maximum Time Period for Redemption?
3. State the meaning of “Proposed Dividend”.
4. What is time Ratio?
5. State the purpose of Reconstruction.
6. Mention the different types of Amalgamation.
7. Define a “Holding Company”.
8. What is Revenue Profits?
9. Give the meaning to ‘Life Assurance Fund’.
10. What do you understand by Standard Assets?

Section –B**5X5=25**Answer **ALL** the Questions

11 . a) What is “Forfeiture of Shares”? When can Shares be forfeited?

(or)

b) The following is the Balance Sheet of M/s. Jerald Co. Ltd. as on 31-12-2021:

Liabilities	Rs.	Assets	Rs.
Equity Share capital (Rs.10 each) 1,000 8% Redeemable Preference Shares of Rs.100 each fully paid	2,00,000 1,00,000	Fixed Assets Cash at Bank	3,10,000 1,40,000
Profit and Loss a/c Sundry Creditors	1,20,000 30,000		
	4,50,000		4,50,000

The company resolved to redeem its Preference Shares at a Premium of 2% Out of Profits. Give necessary Journal Entries.

12 . a) Explain how various items of income and expenditure are apportioned between Pre & Post Incorporation Periods.

(or)

b) A company was incorporated on 1.6.2022 in order to purchase a running business from 1.1.2022. The following particulars are available from its records:

Particulars	Rs.
Total Sales for 2022	80,000
Sales from 1.1.96 to 31.5.2022	20,000
Gross Profit for the whole year	30,000
Total Expenses of 2022 (including directors' fees Rs. 1,000)	25,000
Company's Share Capital	75,000

Find out profit prior to incorporation and after incorporation by preparing profit and loss account.

13 . a) What is Purchase Consideration? Explain the various methods of calculating Purchase Consideration.

(or)

13 . b) The following is the Balance Sheet of Sunil Ltd., as on the date of its acquisition by Anil Ltd.

Liabilities	Rs.	Assets	Rs.
Share Capital	8,00,000	Goodwill	2,00,000
General reserve	2,00,000	Land and Building	5,00,000
Creditors	3,00,000	Plant & Machinery	3,00,000
Employees Provident Fund	2,00,000	Stock	1,00,000
		Debtors	1,50,000
		Cash at Bank	2,50,000
	15,00,000		15,00,000

On the date of its Acquisition, Goodwill is valued at Rs. 3, 00,000

Land & Building at Rs. 7,00,000, Plant & Machinery at Rs. 2,00,000 and Stock at Rs. 75,000. All Assets and Liabilities are taken over. Calculate the amount of Purchase Consideration.

14 . a) A subsidiary company has a capital of Rs. 5,00,000 in shares of Rs. 100 each. Out of which the holding company acquired 80% of the shares at Rs. 6,00,000. The profits of the subsidiary Co. on the date of acquisition of shares by the holding company were Rs. 3,00,000. Calculate the value of goodwill or Capital Reserve.

(or)

b) H Ltd. Acquired 3,000 equity shares in S Ltd. On 1st April 2021. On 31st December 2021 the Balance Sheet of S Ltd. was as follows.

Liabilities	Amount	Assets	Amount
<u>Share Capital:</u> 8% preference share of Rs. 100 each.	3,75,000	Fixed Assets	16,25,000
Equity share of Rs. 10 each	7,50,000	Investments	30,00,000
General Reserve	4,50,000	Current Assets	2,50,000
7% Debentures	3,50,000		
Current Liabilities	2,50,000		
	21,75,000		21,75,000

Ascertain Capital Profits and Revenue Profits.

15 . a) From the following information, Prepare the Profit and Loss Account of Astalakshmi Bank Ltd. for the year ended on 31st March 2022.

	Rs.
Interest earned	37,00,000
Other Income	4,55,000
Interest expended	20,00,000
Operating Expenses	4,75,000
Provisions and Contingencies	3,00,000
Transfer to Proposed Dividend	1,00,000

(or)

- b) Calculate the amount of benefits paid to be recorded in Schedule 4 of the Revenue Account of a Life Insurance Company.

	Rs.
Claims Paid	2,59,000
Claims outstanding at the end of the year	36,000
Claims outstanding at the beginning of the year	23,000
Reinsurance Recoveries	18,000
Annuities Paid	32,000
Surrenders Paid	14,000

Section -C

3 X 10 = 30

Answer any **THREE** Questions

16. What is Redemption of Debentures? Explain the Procedure for Redemption of Debentures.
17. The following ledger balances were extracted from the books of Manasi Ltd. as on 31.3.2022:

Particulars	Rs.
Land & Building	2,00,000
12% Debentures	2,00,000
Share Capital (equity shares of Rs.10 each fully paid up)	10,00,000
Plant & Machinery	8,00,000
Goodwill	2,00,000
Investment in Shares of Raja Ltd.	2,00,000
General Reserve	1,95,000
Stock in Trade	1,00,000
Bills Receivable	50,000
Debtors	1,50,000
Creditors	1,00,000
Bank Loan (unsecured)	1,00,000
Provision for Tax	50,000
Proposed Dividend	55,000

Prepare the Balance Sheet of the company as per revised schedule VI of the Companies Act.

18. Day Ltd., and Light Ltd., have agreed to amalgamate. A New Company, Dimlight Ltd., has been formed to take over the combined concerns as on 31st Dec, 2021. After negotiations, the value of the assets of the two companies have been agreed as shown in the following Balance Sheets.

Liabilities	Day Ltd (Rs.)	Light Ltd (Rs.)	Assets	Day Ltd (Rs.)	Light Ltd (Rs.)
Issue Capital: 75,000 Shares of Rs.10 each fully paid.	7,50,000	--	Land & Buildings	4,50,000	7,50,000
1,50,000 shares of Rs.10 each	--	15,00,000	Plant & Machinery	3,75,000	3,00,000
Sundry Creditors	75,000	1,20,000	Goodwill	75,000	1,65,000
Reserve Fund	75,000	--	Stock	30,000	2,25,000
Profit & Loss A/c	75,000	75,000	Sundry Debtors	30,000	1,80,000
			Cash at Bank	15,000	75,000
Total	9,75,000	16,95,000	Total	9,75,000	16,95,000

The assets and liabilities are taken over by Dimlight Ltd. Show how the amount payable to each company is arrived at and prepare the balance sheet of a New Company.

19. The Balance Sheets of H Ltd. and S Ltd. as at 31st December, 2021 are as follows:

Liabilities	H Ltd (Rs.)	S Ltd (Rs.)	Assets	H Ltd (Rs.)	S Ltd (Rs.)
Share Capital (Rs. 10)	2,00,000	1,00,000	Sundry Assets	1,32,500	1,38,200
General Reserve	18,000	20,000	Goodwill	--	20,000
P&L A/c	24,500	23,000	Shares in S Ltd	1,40,000	--
Creditors	30,000	15,200			
	2,72,500	1,58,200		2,72,500	1,58,200

In case of 'S' Ltd., profit for the year ended 31st December 2021 is Rs.12,000 and transfer to reserve is Rs.5,000. The holding of H Ltd. in S Ltd. is 90% acquired on 30th June 2021. Prepare a Consolidated Balance Sheet of "H" Ltd. and its Subsidiary S Ltd.

20. From the following trial balance of a bank, Prepare a Balance Sheet of the Bank with Schedule Numbers as on 31-3-2022.

Debit Balances	Rs. (in Lacs)	Credit Balances	Rs. (in Lacs)
Current A/c	28.00	19,80,000 shares of 10 each	198.00
Cash Credits	812.10	Statutory Reserve	231.00
Cash in Hand	160.15	Net profit before Appropriation	150.00
Cash with other RBI	37.88	P&L A/c	412.00
Money at Call	210.12	Fixed Deposit A/c	517.00
Gold	55.23	Savings Deposit A/c	450.00
Govt. Securities	110.17	Current Deposit A/c	520.00
Premises	155.70	Bills Payable	0.10
Term Loans	792.88	Borrowings from other Banks	110.00
Furniture	225.99		
	2,588.22		2,588.22

Additional information:

- a) Depreciation chargers - Premises Rs.1,10,000; Furniture Rs.78,000
- b) 50% of the term loans are secured by Govt. quarantines.
- c) 10% of cash credits are unsecured.

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