

Adjustments

- Closing stock Rs 200000
- Depreciate Plant and Machinery at 12%, Furniture 10% and Patents 20%
- Further bad debts amounted to Rs 4000
- Provide 5% on debtors for bad debts
- Provide for Income tax @35%
- Corporate dividend tax 14%
- Board recommended a dividend of 25%.

30. Prepare Revenue & P/L a/c of general Insurance Company as on 31-3-2016.

Particulars	Fire	Marine	General
Reserve for unexpired risk	500000	1640000	
Additional reserve	100000	-	
Premium less reinsurance	1200000	2160000	
Claims less reinsurance	360000	760000	
Mgt expenses	290000	800000	
Claim related expenses	20000	-	
Bad debts	10000	24000	-
Auditors fees			12400
Share transfer fees received			1600
Bad debts recovered			2400
Depreciation			70000
Interest received			28600
Miscellaneous income			10000
Profit on sale of land			120000
Commission	60000	108000	-

Additional reserve of fire insurance be raised by 5% of net premium income.

31. What is redemption of Debentures? Briefly explain the sources of funds and methods of redemption of debentures?

(2 x 15 =30 Marks)

16U344

(Pages: 4)

Name:

Reg. No.....

THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2017

(Supplementary/Improvement)

(CUCBCSS-UG)

CC15UBC3B04- CORPORATE ACCOUNTING

(Core Course)

(2015 Admission)

Time: Three Hours

Maximum: 80 Marks

Part A

Answer *all* questions. Each question carries 1 mark

A: Choose the correct answer from brackets

1. The rate of interest a company can charge on calls in Arrears according to Table A
(a) 10% (b) 6% (c) 5% (d) None of these
2. Interest on debentures is
(a) Adjustment of profit (b) Appropriation of profit (c) Charge on profit (d) None of these
3. On sub division of shares, the balance in share capital -----
(a) Remains the same (b) Increases (c) Decreases (d) None of these
4. According to Sec 17 of the Banking Regulation Act, atleast ---- % of profits of the current year is to be transferred to a statutory reserve.
(a) 25% (b) 20% (c) 35% (d) none of these
5. When the assured sum is payable only on the death of the insured, such a policy is called
(a) Whole life policy (b) Annuity policy (c) Endowment policy (d) Joint policy

B. Fill in the Blanks

6. Accumulated losses in the vendor company is transferred to -----
7. Dividend is paid on ----- capital
8. NPA for a period not exceeding 12 months is termed as -----
9. Generally ----- % of the net surplus of a Life Insurance company is given to policy holders as bonus
10. A company can purchase own debentures either for cancellation or -----

(10x1=10 Marks)

Part B

Answer *any eight* questions. Each question carries 2 marks

11. What is Forfeiture of shares?
12. What is Reversionary bonus?
13. What is Valuation Balance Sheet?
14. What is Money at call and short notice?

Turn over

15. What is Capital Reduction Account?
16. What is Consolidation and Sub division of shares?
17. What is redemption of debentures by purchase in open market?
18. What is capital redemption reserve?
19. What is the difference between Amalgamation and Absorption?
20. What is Rebate on Bills discounted?

(8x2=16 Marks)

Part C

Answer *any six* questions. Each question carries 4 marks

21. What are the differences between Life insurance and General Insurance Business?
22. State the provisions of section 63 of the companies Act 2013 regarding issue of bonus shares
23. X Ltd forfeited 30 shares of Rs 10 each fully called up, held by K for non-payment of allotment money of Rs 3 per share and final call of Rs 4 per share. He has paid the application money only. These shares were reissued to S for Rs 8 per share. Give Journal entries for forfeiture and reissue.
24. Ajeeb Ltd had issued 50000 preference shares of Rs 10 each redeemable at par on 30th June 2007. The company had the following amounts: Capital reserve Rs 300000, General reserve Rs 400000, P/L a/c Rs 200000. It was decided that for the purpose of redemption the minimum amount is to be used from P/L a/c. Give Journal entries recording redemption.
25. In 2001 Appolo Co. Ltd made an issue of 3000, 12% debentures of Rs 100 each. Interest payment was fixed half yearly on 30th June and 31st December. The issue was repayable at par on 31st December 2011. The company however reserved the right to redeem the issue on any interest date but after 31st December 2006 at Rs 105 by giving 6 months' notice. Accordingly, directors gave a notice on 31st December 2006 to repay the whole debentures on 30th June 2007, offering the holders the right instead of taking cash to receive Rs 100 9% debentures and Rs 6 in cash for every debentures held. Holders of 1600 debentures accepted the offer and the rest were paid off in cash.

Pass Journal entries to record the above transactions in the books of the company.

26. The following scheme of reconstruction has been approved for A. Ltd. Give journal entries.
 1. Shareholders to receive in lieu of their present holding of 50000 shares of Rs.10 each fully paid equity shares equal to 2/5 of their holding and 10% preference shares fully paid to the extent of 1/5 of the above new equity shares and 60000, 14% second debentures.
 2. An issue of Rs.50000, 12% first debentures was made and allotted, payment for the same received in cash.
 3. Goodwill of Rs.150000 was written off.
 4. Plant which stood at Rs.100000 was written down to Rs.75000.
 5. Freehold premises which stood at Rs.175000 was written down to Rs.150000.

27. Calculate the amount of unexpired discount on 31-12-2012.

Amount	Rate of discount	Date of bill	Period
700000	12%	18-11-2012	3 months
130000	10%	23-10-2012	4 months
400000	11%	13-12-2012	2 months
320000	10%	15-12-2012	3 months

28. Following is the statement of assets and liabilities of X Co Ltd as on 31-3-2014

Liabilities	Amount	Assets	Amount
12000 shares of Rs 10 each fully paid	120000	Land & Building	90000
Sundry Creditors	30000	Machinery	50000
Bank overdraft	28000	Stock	17000
		Sundry Debtors	20000
		Discount on shares	1000
Total	178000	Total	178000

The company went into liquidation and the assets were sold to Y Co Ltd for Rs 150000 payable as to Rs 60000 in cash (sufficient to discharge creditors and Bank overdraft and pay the winding expenses of Rs 2000) and as to Rs 90000 by the allotment of 12000 shares of Rs 10 each of Y Company Ltd, Rs 7.50 per share paid up to the shareholders of X Company. Write Journal entries and ledger accounts to close the books of X Company.

(6 x 4 = 24 Marks)

Part D

Answer *any two* questions. Each question carries 15 marks

29. Following is the Trial balance of P.K Ltd. Prepare final accounts of P.K Ltd.

Debit balances	Amount	Credit balances	Amount
Opening stock	150000	Share capital	500000
Purchases	380000	Purchase return	10000
Wages	60000	Sales	1150000
Carriage	2000	Discount	6300
Furniture	25000	Surplus account	170000
Salaries	12000	Sundry Creditors	33700
Rent	15000	General reserve	82000
Trade expenses	11000	Bills Payable	13000
Sundry Debtors	54000	Provision for doubtful debts	3000
Plant & Machinery	1200000		
Cash at bank	21500		
Patents	9000		
Bills Receivable	14000		
Bad debts	6500		
Discount allowed	8000		

Turn over