

Following further information is also given:

1. Premium outstanding as on 31-3-2016 - Fire Rs. 33000, Marine Rs. 15000.
2. Claims outstanding as on 31-3-2016 - Fire Rs.46000, Marine Rs. 17000. Out of the same, fire claims amounting to Rs. 11000 was covered by reinsurance.
3. Reserve for unexpired risk is to be maintained at: 50% of premium less reinsurance for fire and at 100% of premium less reinsurance for marine.
4. Additional reserve for fire is to be maintained at 20% of net premium.
5. Interest accrued on investment Rs. 13000.

Prepare revenue account and profit and loss account for the year ended 31-3-2016

31. The following are ledger balances of the XY Bank Ltd. Prepare the Profit and Loss Account and Balance Sheet as on 31 March 2016.

	Rs.
Share capital, 20000 shares of Rs. 100 each	2000000
Reserves fund investment	1000000
General expenses	182000
Current accounts	20244000
Interest paid	161000
Savings bank account	2920000
Fixed deposits	4000000
Profit and Loss Account	230000
Discount received	180000
Rebate on bills discounted	64000
Commission, exchange and brokerage	44000
Cash	227000
Interest received	532000
Cash with RBI	2012000
Owing foreign correspondents	200000
Short loans	6482000
Loans and advances to customers	15585000
Investments	9883000
Bills discounted	6228000
Premises	2218000

Additional information:

1. Provision for bad and doubtful debts required Rs.129000
2. The bank had bills for collection for its constituents Rs. 500000 and acceptances, endorsements and guarantees Rs. 1600000.
3. The Profit and Loss Account balance is the balance left on that account after the payment of interim dividend amounting to Rs. 200000.

(2 x 15 = 30 Marks)

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(Pages: 4)

Name: .....

Reg. No.....

**THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER, 2017**

(CUCBCSS-UG)

**CC16UBC3B04- CORPORATE ACCOUNTING**

(Core Course)

(2016 – Admission Regular)

Time: Three Hours

Maximum: 80 Marks

**Part-A**

Answer *all* questions. Each question carries **1** mark.

B. Fill in the blanks:

1. In case of consolidation of share capital, the total number of shares .....
2. A ..... transaction involves the sale of an asset and leasing back of the same asset.
3. A ..... is an enterprise that has one or more subsidiaries.
4. .... are the bills to which no documents such as bill of lading, insurance policy etc. are attached.
5. Any lumpsum payment received by the insurance company in lieu of granting annuity is called as .....

C. State whether true or false:

6. Ind AS 27 determines goodwill or capital reserve on historical cost basis.
7. Commission on reinsurance ceded is an expense.
8. Rebate on bills discounted is a liability.
9. Preference shares can be redeemed from new issue of debentures.
10. Ind AS 17 deals with accounting for leases.

(10 x 1 = 10 Marks)

**Part-B**

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

11. What are clear profits?
12. What are non-banking assets?
13. What is escrow account?
14. What is minimum Lease Payment?
15. What is catastrophe reserve?
16. Define holding company.
17. What do you mean by sinking fund for redemption of debentures?
18. What are right shares?
19. What is minority interest?
20. What are cash settled share based payments

(8 x 2 = 16 Marks)

**Turn over**

**Part-C**

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

21. What are non performing assets? How are they identified?
22. Explain the following items in the context of preparing consolidated balance sheet:
  1. Cost of control
  2. Inter-company owing
23. Explain the conditions to be fulfilled for buyback of shares.
24. A company had as part of its share capital 1000 redeemable preference shares of Rs. 100 each fully paid. When the shares become due for redemption, the company had Rs. 60000 in its reserve funds, the company issued necessary equity shares of Rs. 25 specifically for the purpose of redemption and received cash in full. The redeemable preference shares were then paid out of the new issue and the balance from the reserve fund. Write necessary journal entries in the books of the company to show the above transactions.

25. 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

26. The Life Assurance Fund of PQR Life Insurance Co. Ltd. as on 31 March 2016 is ascertained at Rs. 1220000 before considering the following:
  1. Interest accrued on investments Rs. 30000.
  2. Bonus utilized in reduction of premium Rs. 36000.
  3. Claims intimated and admitted but not paid Rs. 100000.
  4. Outstanding premium Rs. 60000.
  5. Claims covered under reinsurance Rs. 16000.

Compute the true Life Assurance Fund.

27. XYZ Ltd. rebuilds its Mains at the cost of Rs. 1990000. This excludes value of Rs. 13800 material of old Main used for new one. The original Mains were constructed at a cost of Rs. 990000. The ratio of material and labour then was 7:3. The increase in material prices is 12.5 % and in wage rates 15%. Material worth Rs. 25200 from old works was sold. Show the journal entries and prepare Works account and Replacement account under double account system for the above and determine the net cost of replacement.
28. AB Ltd. decided to make a right issue in the proportion of one new share of Rs. 200 each at a premium of Rs. 50 each to the shareholders for every three existing shares. The market value of shares at the time of announcement of rights issue is Rs. 500 each. Calculate the value of right.

**(6 x 4 = 24 Marks)**

**Part-D**

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

29. Following are the liabilities and assets of H Ltd. and S Ltd. as at 31<sup>st</sup> March 2016:

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Equity shares capital of Rs. 10 fully paid	700000	100000	Land & building	300000	100000
General reserve	50000	30000	Plant & machinery	280000	50000
Surplus account	100000	30000	7000 shares of S Ltd	100000	-
Sundry creditors	90000	50000	Stock	70000	50000
Bills payable	10000	15000	Sundry debtors	150000	20000
Liabilities for expenses	5000	15000	Bills receivable	10000	-
			Cash & bank	45000	20000
	<b>955000</b>	<b>240000</b>		<b>955000</b>	<b>240000</b>

Contingent liability for bills discounted Rs. 5000.

Additional information:

1. All the bills receivable of H Ltd. including those discounted were accepted by S Ltd.
2. When 6000 shares were acquired by H Ltd. in S Ltd., S Ltd. had Rs. 20000 General Reserve and Rs. 5000 credit balance in Surplus Account.
3. At the time of acquisition of further 1000 shares by H Ltd., S Ltd. had Rs. 25000 General Reserve and Rs. 28000 credit balance in Surplus Account from which 20% dividend was paid by S Ltd. and dividend was received by H Ltd. on these shares was credited to Surplus Account.
4. Stock of S Ltd. includes Rs. 20000 purchased from H Ltd. which has made 25% profit on cost.
5. Both the companies have proposed dividend-H Ltd. 10% and S Ltd. 20% but no effect has yet been given in the above Balance Sheet.

Prepare Consolidated Balance Sheet as at 31 March 2016.

30. Following balances are extracted from the books of PQ General Insurance Co. Ltd. as on 31<sup>st</sup> March 2016:

Particulars	Fire	Marine	Common for Fire and Marine
Claims paid	100000	87000	-
Premium less reinsurance received in the year	373000	297000	-
Commission on reinsurance ceded	13000	-	-
Commission	62000	51000	-
Expenses of management	86000	68000	-
Depreciation on assets	-	-	36000
Loss on realization of investment	-	-	8000
Audit fee	-	-	13000
Directors remuneration	-	-	36000
Interest and dividend on investment	-	-	63000
Reserve for unexpired risks as on 1-4-2015	210000	240000	-
Additional reserve as on 1-4-2015	60000	10000	-
Claims outstanding as on 1-4-2015	24000	11000	-
Premium outstanding as on 1-4-2015	26000	17000	-

**Turn over**