

31. Following are the Balance Sheets of H Ltd. and its subsidiary S Ltd. as at 31<sup>st</sup> March, 2018.

	H Ltd. Rs.	S Ltd. Rs.
<b>I. Equity and Liabilities</b>		
(1) Shareholders' funds		
(a) Share capital:		
Fully paid equity shares of Rs.10 each	6,00,000	2,00,000
(b) Reserve and Surplus:		
i) General Reserve	3,40,000	80,000
ii) Surplus Account	1,00,000	60,000
(2) Current Liabilities		
Creditors	70,000	35,000
Total	<u>11,10,000</u>	<u>3,75,000</u>
<b>II. Assets</b>		
(1) Non –current Assets		
(a) Fixed Assets:		
i) Machinery	3,90,000	1,35,000
ii) Furniture	80,000	40,000
(b) Investment: 80% Shares n S Ltd. at cost	3,40,000	-
(2) Current Assets		
Stock	1,80,000	1,20,000
Debtors	50,000	30,000
Cash at Bank	70,000	50,000
Total	<u>11,10,000</u>	<u>3,75,000</u>

Following additional information is provided to you:

- (a) Surplus a/c of 'S' Ltd. stood at Rs. 30,000 in 1<sup>st</sup> April 2015 whereas general reserve has remained unchanged since that date.
- (b) 'H' Ltd. acquired 80% shares in 'S' Ltd. on 1<sup>st</sup> October 2017 for Rs. 3,40,000 as mentioned above.

You are required to prepare a consolidated balance sheet as on 31<sup>st</sup> March 2018.

**(2 × 15 = 30 Marks)**

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(Pages: 4)

Name: .....

Reg. No.....

**THIRD SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOV 2020**

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

**CC17U BCP3 B09 - CORPORATE ACCOUNTING**

(2017 Admissions onwards)

Time: Three Hours

Maximum: 80 Marks

**Part A**

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

I. Choose the correct answer:

- Unclaimed dividend is shown on the liabilities side of the balance sheet
  - Reserve and surplus
  - Long term borrowings
  - Current liabilities and provisions
  - Share capital
- CRR used for -----
  - For writing off capital losses
  - For issuing partly paid up bonus shares
  - For issuing fully paid up bonus shares
  - For issuing debentures
- After all debentures are redeemed, the balance in the sinking fund is transferred to
  - General reserve
  - Capital reserve
  - Profit and loss account
  - Debenture account.
- Only ----- shares can be acquired under buy back.
  - Partly paid up shares
  - Fully paid up shares
  - Redeemable preference shares
  - Irredeemable preference shares
- A Company typically engage in buy back when they have
  - Excess cash
  - Inadequate cash
  - Inadequate reserve
  - None of these

II. Fill in the blanks:

- No company listed by shares shall issue preference share which are to be redeemed after the expiry of ----- years from the date of their issue.
- A policy which matures after the expiry of a particular period is called -----
- As per SEBI guidelines right issues should not kept open for more than -----
- Surplus is the excess of clear profit over -----
- Schedule ----- shows the amount of interest expended during a period by banking companies.

**(10 × 1 = 10 Marks)**

(1)

**Turn Over**

**Part B**

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

11. What is a Non Banking Asset?
12. What is SLR?
13. Explain any two circumstances for issue of bonus Shares.
14. What is valuation balance sheet?
15. What do you mean by clear profit of an electricity company?
16. What is Employee Option Scheme?
17. Explain any one method of redemption of debentures?
18. How you ascertain the amount of minority interest?
19. What is meant by double insurance?
20. State the special features of Double Account System.

(8 × 2 = 16 Marks)

**Part C**

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

21. Give briefly the object and scope of Ind AS-17.
22. Distinguish between double Account System and Single Account System.
23. Explain the method followed for arriving at profit in life insurance business.
24. Point out various methods of capital alteration.
25. Calculate Rebate on bills discounted as on 31<sup>st</sup> December 2015 from the following details:

	Amount of bill	Date of bill	Term	Discount
1	1,20,000	18-10-2018	4 Months	10%
2	70,000	24-11-2018	3 Months	8%
3	65,000	08-12-2018	2 Months	8%
4	40,000	18-12-2018	1 Months	10%

Also give the journal entry for rebate on bills discounted.

26. Ledger balances of Anand Ltd. as on 31-03-2018 are given below

Cr Balances	Rs.	Dr. Balances	Rs.
Paid up capital 30,000 equity shares of Rs. 10 each	3,00,000	Fixed Assets	9,00,000
Free Reserves	4,50,000	Stock	2,00,000
Security Premium Reserve	1,50,000	Debtors	1,50,000
Debentures	6,25,000	Bank balance	5,00,000
Creditors	2,25,000		
	<u>1,75,000</u>		<u>1,75,000</u>

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On the above date shares are bought back by the company to the extent possible at a premium of Rs. 40 per share. Pass journal entries and show the Balance Sheet after buyback of shares.

27. RM India Ltd. issued 2,000 9% Debentures of Rs.100 each on April 1, 2011 redeemable on April 1, 2018. How much amount of debenture Redemption Reserve is required before the redemption of Debenture? Also record journal entries for issue and redemption of debenture.
28. A company with an issued and subscribed capital of Rs. 10,00,000 in 1,00,000 shares face value 10 each of which Rs 8 per share paid up, has accumulated a Reserve of Rs.3,00,000. Out of this Reserve Rs. 2,00,000 is intended to be utilized in declaring a bonus at the rate of 25% on the paid up capital so that the shares may become fully paid. Show the necessary journal entries.

(6 × 4 = 24 Marks)

**Part D**

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

29. What is a reasonable return in the Accounts of Electric Supply companies in India? Explain provisions of reasonable return and disposal of surplus of Electric Supply Co.
30. Following are the balances of a Lakshmi Bank Ltd. on 31-03-2018:

	Rs.		Rs.
50,00,000 shares of Rs 50 each	2,50,000	Salaries	28,500
General Reserve	1,50,000	General expenses	27,500
Loans and advances	31,40,000	Rent paid	2,300
Premises	1,77,500	Directors fee	1,800
Government securities	9,10,000	Bills discounted	30,000
Current deposits	11,82,000	P & L A/C (last B/S)	12,500
Savings deposits	20,00,000	Miscellaneous income	100
Fixed deposits	10,00,000	Interim dividend paid	10,000
Cash in hand	3,05,000	Adjustments:	
Interest, discount etc.	1,00,000	(a) Provide for bad and doubtful debts	1,000
		(b) Rebate on bills discounted	600
		(c) Interest accrued on investment	6,100
Money at call	62,000		

Prepare profit and Loss Account for the year ending 31<sup>st</sup> march, 2018 and Balance Sheet as on 31-03-2018.

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**Turn Over**