

The authorized capital of the bank is Rs. 40,00,000 in equity share of Rs. 10 each. There is a contingent liability on account of acceptances and endorsements Rs. 3,00,000. The bank has billed for collection amounting to Rs. 10,00,000 on 31st March 2020.

26. The following are the statement of financial position of Chand Ltd. and its subsidiary Ind Ltd. As on 31st March 2016.

	Chand Ltd.	Ind Ltd.
Equity and liabilities		
1. Shareholders funds:		
Equity Share capital	5,00,000	2,00,000
Reserves and surplus	2,00,000	50,000
2. Non-Current liabilities:		
6% debentures	1,00,000	–
Current liabilities		
Trade payable	<u>1,70,000</u>	<u>1,35,000</u>
	<u>9,70,000</u>	<u>3,85,000</u>
Assets		
1. Fixed assets	6,50,000	2,05,000
Non-current investments at cost (16,000 shares of ₹ 10 each in Ind Ltd. at cost, acquired on 31 st March 2016)	2,20,000	–
2. Current assets:		
Stock in trade	60,000	80,000
Trade receivables	<u>40,000</u>	<u>1,00,000</u>
	<u>9,70,000</u>	<u>3,85,000</u>

Prepare consolidated statement of financial position.

27. Explain i) Interim reporting, and ii) Segment reporting.

(2 × 10 = 20 Marks)

(4)

21U329

(Pages: 4)

Name:

Reg. No:

THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2022

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U BCM3 B04 - CORPORATE ACCOUNTING

(Commerce - Core Course)

(2019 Admission onwards)

Time: 2.5 Hours

Maximum: 80 Marks

Credit: 4

Part A (Short answer questions)

Answer *all* questions. Each question carries 2 marks.

1. What is variable instalment method of redemption of debentures?
2. What is Debenture Redemption Reserve?
3. What do you mean by redemption of debentures by conversion?
4. A company buys its own 12% 4,000 debentures at Rs. 96 (ex- interest) per debenture for cancellation on 31st March, 2020. Interest on these debentures fall due on 30th June and 31st December every year. What is the journal entry to be passed for the purchase of these debentures?
5. Differentiate between cash bonus and capital bonus.
6. What is right issue of shares?
7. What are the sources of funds that can be used for the issue of bonus shares?
8. Give any two advantages of bonus issue.
9. What is buy back of shares?
10. What is non-controlling interest?
11. Give any two differences between bonus shares and right shares.
12. What are non-banking assets?
13. What is schedule 10 of the financial statement of a life insurance company.
14. What is a parent company?
15. What are prior period errors?

(Ceiling: 25 Marks)

Part B (Paragraph questions)

Answer *all* questions. Each question carries 5 marks.

16. On 1st April, 2017, Cyber Ltd. issued Rs. 40,00,000 10% debentures of Rs. 100 each at par and redeemable at a premium of 10%. 75% of the debentures are redeemable on 31st March 2019 and the balance on 31st March 2020. The board of directors decided to transfer the minimum required amount to DRR on 31st March 2018. Pass journal entries for issue and redemption of debentures. Ignore debenture interest and loss on issue of debentures.
17. A Company offers to its share holders the right to buy one share of Rs.100 at a price of Rs.150 for every three shares of Rs.100 each held. The market value of the shares is Rs.200. Find the value of right.

(1)

Turn Over

18. Explain the various sources of funds for redemption of debentures.
19. Q Ltd. with a share capital of Rs.20,00,000 in 1,00,000 shares of Rs.20 each fully paid has an accumulated free reserve of Rs.5,00,000. It intends to distribute out of these reserve Rs.4,00,000 to the existing shareholders in the form of bonus shares of Rs.20 each at par as fully paid. Give journal entries.
20. X Ltd. decided to buy back 50,000 equity shares of Rs.10 each at a premium of 20%. For this purpose, it decides to issue 10% Preference Shares of Rs.10 each at par. To meet the requirement of the law, the Company has sufficient free reserves, i.e., General Reserve and Securities premium Reserve. You are required to pass journal entries to record the above transactions.
21. Explain the various forms of advances of a bank.
22. The life fund of a life assurance company was Rs. 86,48,000 as on 31st March 2010. The interim bonus paid during the inter valuation period was Rs. 1,48,000. The periodical actuarial valuation determined the net liability at Rs. 74,25,000. Surplus brought forward from the previous valuation was Rs. 8,50,000. the directors of the company proposed to carry forward Rs. 9,31,000 and to divide the balance between the shareholders and the policyholders in the ratio of 1: 10.
Show
 - a. the valuation balance sheet
 - b. the net profit for the valuation period
 - c. the distribution of the surplus.
23. Explain related party transaction.

(Ceiling: 35 Marks)

Part C (Essay questions)

Answer any *two* questions. Each question carries 10 marks.

24. The following is the Balance sheet of Western Ltd:

Particulars	Note No.	Rs.
A. Equity and Liabilities:		
1. Equity Share capital		3,00,000
2. Preference share capital		2,00,000
3. Reserves and Surplus:		
General reserve		50,000
4. Current liabilities:		
Creditors		<u>80,000</u>
		<u>6,30,000</u>
B. Assets:		
1. Non- Current Assets:		
Tangible assets	1	4,50,000
Intangible assets - Goodwill		50,000
2. Current Assets:		
Short term investments		20,000
Bank		<u>1,10,000</u>
		<u>6,30,000</u>

(2)

Note No. 1- Tangible assets

Tangible assets:	
Computers	50,000
Furniture	4,00,000
	<u>4,50,000</u>

The company decided to redeem its preference shares at a premium of 10%. For this purpose, the investments were sold for Rs. 18,000. The company decided to issue necessary equity shares of Rs. 10 each after utilizing the divisible profits. Redemption was duly carried out. However, holders of 200 preference shares could not be traced. Give journal entries and show the Balance Sheet after the redemption.

25. From the following balances, prepare the balance sheet of Global bank Ltd as on 31.3.2020.

	Rs.
Equity share capital	20,00,000
Statutory reserve (after transferring 25%)	10,00,000
Capital reserve	4,00,000
Securities premium	4,00,000
P&L a/c balance	14,00,000
Demand deposit	24,00,000
Term deposit	20,00,000
Savings bank deposit	28,00,000
Borrowings from RBI	24,00,000
Borrowings from other banks	1,05,40,000
Bills payable	30,00,000
Interoffice adjustments (Cr)	14,00,000
Cash in hand	14,00,000
Balances with RBI	25,40,000
Money at call and short notice	45,00,000
Investment in Govt. securities	28,00,000
Investment in shares	25,00,000
Gold	20,00,000
Term loans	50,00,000
Cash credit	35,00,000
Overdraft	30,00,000
Premises	25,00,000
Rebate on bills discounted	1,00,000
Non-banking asset	70,000
Furniture	30,000

Turn Over