26. From the following balances of ABC bank Ltd. as on 31-3-2015, prepare the Profit and Loss Account and Balance Sheet.

Rs. (000s)		Rs. (000s)		
Fixed deposits	325	Share capital (5000 equity		
Saving deposits	1175	shares of Rs. 100 each,		
Current accounts	3875	Rs. 50 paid)	250	
Money at call and short notice	240	Statutory reserve	150	
Investments	1550	P/L A/c (Cr. On 1-4-14)	130	
Interest accrued and paid	100	Bills payable	400	
Payment to employees	40	unclaimed dividend	5	
Rent, taxes and lighting	10	Sundry creditors	225	
General expenses	5	Bills for collection	70	
Dividend for 2014-15	25	Acceptances on behalf of customers	100	
Premises (after Rs. 50000		Non-banking assets	120	
depreciation up to 31-3-2014)	600	Bills discounted and purchased	250	
Cash in hand	75	Loans, overdrafts and cash credits.	3500	
Cash at RBI	705	Interest and discounts	325	
Cash at other banks	520			
Borrowed from banks	280			

Rebate on bills discounted amounted to Rs. 2500. Allow 5 percent depreciation on premises on original cost. Provide Rs. 25000 for doubtful debts.

27. H Ltd. Acquired 4,000 shares on 30<sup>th</sup> June, 2015 in S Ltd. H Ltd. Received 10% dividend for the year 2014 and it is credited in profit and loss account of H Ltd.

Following are the balance sheet of H Ltd. And S Ltd. As on 31<sup>st</sup> December 2015:

		H Ltd.	S Ltd.
1.	<b>Equity and liabilities</b>		
	Share capital:		
	Equity share capital of ₹ 10 each	60,000	50,00
	Reserves and surplus:		
	General reserve	12,000	10,000
	Surplus (as on1-1-2015)	4,000	8,000
	Profit for the year ended 31-12-2015	30,000	20,000
	Current liabilities:		
	Trade payables	<u>10,000</u>	<u>8,000</u>
	Total	<u>1,16,000</u>	<u>96,000</u>
2.	Assets		
	Non-current assets:		
	Fixed assets	44,000	60,000
	Investment:		
	Investment in S Ltd.	52,000	_
	Current assets	20,000	36,000
	Total	<u>1,16,000</u>	<u>96,000</u>

You are required to prepare consolidated balance sheet for H Ltd. As on  $31^{st}$  December 2015 from the above information.  $(2 \times 10 = 20 \text{ Marks})$ 

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## THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2020

(CBCSS - UG)

## CC19U BCM3 B04 - CORPORATE ACCOUNTING

(Commerce - Core Course) (2019 Admission - Regular)

Time: 2 ½ 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 is cum- interest quote of a debenture?
- 4. What is CRR?
- 5. What are the sources of funds that can be used for paying premium on redemption of preference shares?
- 6. What are bonus shares?
- 7. What are NPAs?
- 8. What is right issue?
- 9. What is the limit on buy back of shares that can be made by a company?
- 10. What is premium?
- 11. A company offers to its existing shareholders the right to buy two shares at Rs. 11 per share for every five shares held. The market value of these shares is Rs. 60 per share. Compute the value of right.
- 12. What are non-banking assets?
- 13. Which are the schedules required to prepare Revenue a/c of a life insurance company?
- 14. What is cost of control?
- 15. What is Basic EPS?

(Ceiling: 25 Marks)

Part B (Paragraph questions) Answer all questions. Each question carries 5 marks.

16. The following figures have been extracted from the books of ABC Ltd. As on 31.03.2010

	RS.
Authorized capital:	
50,00,000 equity shares of RS. 10 each	5,00,00,000
Issued and subscribed capital:	
50,00,000 equity shares of RS. 10 each, fully paid-up	5,00,00,000
Reserves & surplus:	
General reserve	80,00,000
Profit and loss A/c	20,00,000
Capital reserves	30,00,000
Securities premium	15,00,000
14% debentures	50,00,000
Cash and bank balance	1,00,00,000

(1) Turn Over

The company decided to buy back 25% of the paid-up equity share capital at face value. It was also decided to issue a further 14 % debentures of Rs. 50,00,000 at par for the purpose of the buyback. Pass necessary journal entries.

## 17. The following is the Balance sheet of Das Ltd:

Particulars	Note No.	Rs.
Equity and Liabilities:		
1. Shareholders fund:		
Share capital	1	25,40,000
2. Non- current liabilities:		
8% Debentures		13,60,000
3. Current liabilities:		
Creditors		20,000
		39,20,000
Assets:		
1. Non- Current Assets:		
Tangible assets- Fixed assets		26,00,000
2. Current Assets:		
Inventory		11,00,000
Bank		2,20,000
		<u>39,20,000</u>

## Note No. 1- Share Capital

Share Capital:	
70,000 Equity shares of Rs. 20 each	24,00,000
20,000 Preference shares of Rs. 10, Rs. 7 called up	1,40,000
	25,40,000

The company decided to redeem its preference shares at par. The company decided to issue 10,000 equity shares of Rs. 20 each at a premium of Rs. 5 per share for the purpose of redemption. Give journal entries and show the Balance Sheet after the redemption.

- 18. Govind Ltd. has 30,000 preference shares of Rs. 10 each, Rs5 per called up. The company has the following divisible profits. Profit and Loss account Rs. 1,00,000; General Reserve Rs. 50,000; Dividend Equalisation Reserve Rs. 80,000; Reserve fund Rs. 70,000. Give journal entries for redemption of preference shares.
- 19. What is bonus issue of shares? Explain the advantages of bonus issue.
- 20. Explain the provisions of Section 62 of the Companies Act, 2013 regarding right issue of shares.
- 21. The following is the extract of the Trial Balance of Epson Bank Ltd as on 31<sup>st</sup> March 2016.

	Dr.	Cr.
Bills Discounted	70,60,000	
Rebate on bills discounted (1.4.2011)		1,70,000
Discount received		5,65,000

An analysis of the bills discounted showed the following:

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Date of bill	Term	Amount (Rs)	Rate of discount
1 <sup>st</sup> February 2012	4 Months	73,000	10%
18 <sup>th</sup> March 2012	2 months	60,000	10%
15 <sup>th</sup> January 2012	5 Months	40,000	10%
16 <sup>th</sup> March 2012	3 Months	75,000	10%

Show discount received a/c in the books of the bank after calculating unexpired discount.

22. The following figures relate to Super Life Insurance Co. Ltd. For the year ended 31<sup>st</sup> March 2010. Prepare the revenue account.

	Rs.		Rs.
Claims	39,000	Bonus in reduction of premium	1,500
Management expense	14,000	Premium received	1,51,000
Director's fees	7,000	Life fund (1-4-2009)	11,50,000
Agent's commission	5,000	annuities	1,500

Adjustments: Premium outstanding at the end of the year Rs. 9,000

23. Explain:

a) Events after reporting period

b) Related party transactions

(Ceiling: 35 Marks)

Part C (Essay questions)

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

24. The following is the balance sheet XYZ Ltd. As on 31.03.2015

Equity and Liabilities:	Rs.
8% Preference Share capital	5,00,000
Equity share capital	10,00,000
Reserve fund	60,000
General reserve	8,00,000
8% Debentures	3,00,000
Trade payables	3,50,000
	30,10,000
Assets:	
Tangible assets	20,00,000
Current assets	10,10,000
	30,10,000

The company resolved to purchase a new machinery for  $\ge 1,00,000$  for which it allots 10,000 8% preference shares of  $\ge 10$  each to the vendors. The company also resolved to issue bonus shares @ one share of  $\ge 10$  each for every 2 shares held out of general reserve.

Pass necessary journal entries and show the balance sheet of the company after the bonus issue.

- 25. Explain the provisions regarding:
  - a) Redemption of preference shares
- b) Buyback of shares

(2)

(3) Turn Over