

27. From the following balances as at 31st March 2020 in the books of Adithya Jeevan Assurance Co. Ltd. prepare the Revenue account and the Balance sheet.

	Rs.
Life Assurance Fund as on 1st April 2019	30,00,000
Annuities paid	20,000
Surrenders	69,000
Reserve fund	6,65,000
Deposit with Reserve Bank of India	3,00,000
Indian Govt. Securities	32,50,000
Foreign Govt. Securities	1,87,000
Loans on Co.'s policies	6,70,000
Securities on which interest is guaranteed by the Govt.	13,50,000
Share Capital	50,00,000
Mortgages in India	16,36,000
Cash with Bankers on C/A	30,000
Cash with Bankers on Deposit A/c	16,000
Cash in hand	10,500
State Govt. Securities	8,88,000
Furniture & fixtures	40,000
Outstanding Premium	68,000
Due from re-insurer	39,000
Due to reinsurer	49,000
Agent's balance (Dr.)	20,000
Interest outstanding	15,000
Sundry Creditors	4,000
Premium Less reinsurance	7,00,000
Bonus to policyholders	30,000
Commissions to agents	60,000
Claim less reinsurance On Death	4,00,000
On Maturity	5,00,000
Leasehold ground rent	9,00,000
Consideration for annuities Granted	40,000
Salaries	50,000
Directors fees	6,000
Auditor's fees	8,000
Law charges	2,000
Rent paid	4,000
Expenses of management	1,500
Interest & Rent (accountable for the year less taxes (60,000))	3,60,000
Interest accrued but not due	30,000

(2 × 10 = 20 Marks)

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(Pages: 4)

Name:

Reg. No:

THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2024

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U BCM3 B04 / CC20U BCM3 B04 – CORPORATE ACCOUNTING

(Commerce: Finance / Taxation – 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.

- Which are the two methods of writing off discount on issue of debentures against Profit and Loss a/c?
- What is capital bonus?
- Name any two profits that can be used for bonus issue.
- What is escrow account?
- A company had issued 1,00,000 equity shares of Rs. 10 each at par. The company has now decided to buy back 20,000 equity shares at Rs. 25 per share. For this purpose, the company issued 10,000 10% preference shares of Rs. 10 each at par. It also has a General Reserve of Rs. 1,50,000 and Securities Premium of Rs. 50,000. Pass the entries for recording buy back.
- What are right shares?
- Give any two differences between bonus shares and right shares.
- Define banking.
- Explain schedule 12 of the financial statement of a bank?
- What is premium?
- Explain schedule 10 of the financial statement of a life insurance company?
- What is a Consolidated Balance Sheet?
- What is pre- acquisition profit?
- What is interim reporting?
- What do you mean by events after reporting period?

(Ceiling: 25 Marks)

Part B (Paragraph questions)

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

- Explain the methods of redemption of debentures.
- On 1st April, 2016, Jan Ltd. issued 25,000 10% debentures of Rs. 100 each at a premium of 5% and redeemable at a premium of 10%. The debentures are redeemable on 31st March 2019 fully out of profits. Pass journal entries for issue and redemption of debentures. Ignore debenture interest and loss on issue of debentures.
- Explain the various sources of funds for redemption of debentures.
- Explain the provisions regarding bonus issue of shares.

(1)

Turn Over

20. On 1st January 2019, Don Ltd. issued Rs. 1,00,000 6% debentures of Rs. 100 each. The interest is payable on 30th June and 31st December every year. On 31st May, 2019 the company purchased, by cheque in the open market, Rs. 20,000 debentures at Rs. 98 cum- interest, on 1st August, 2019 Rs. 40,000 debentures at Rs. 100.25 cum- interest and on 15th December, 2019 Rs.10,000 debentures at Rs. 98.5 ex- interest. Show the 6% debenture a/c as it would appear in the books of the company.

21. Devi Ltd. had a paid-up capital of Rs. 6,10,000 consisting of 40,000 equity shares of ₹ 10 each fully paid-up and 30,000 equity shares of ₹ 10 each, ₹ 7 per share paid-up. The general reserve of the company stood at ₹ 7,00,000.

The directors decided to issue one fully paid-up bonus share at a premium of ₹ 5 per share for every fully paid share held and to make the partly paid-up shares, fully paid-up. At the date of allotment of the bonus shares, the market value of equity shares is ₹ 28.

Assuming that all legal formalities are complied with, pass necessary journal entries in the books of the company.

22. From the following information, find out the amount of provision to be shown in the profit and loss account of a commercial Bank:

Rs. In lakhs	
Assets	
Standard	8,000
Sub-standard	6,000
Doubtful: for one year (unsecured 10%)	1,000
For two year (unsecured 20%)	1,600
For more than three years (no surety)	400
Loss assets	1,200

23. A life insurance company gets its valuation made once in every two years. Its life assurance fund on 31st March 2010, amounted to Rs. 71,40,000 before providing Rs. 300,000 for the shareholders dividend for the year 2009-10. Its actuarial valuation due on 31st March 2010 disclosed a net liability of Rs. 70,00,000 under assurance annuity contracts.

An interim bonus of Rs. 600,000 was paid to the policyholders during the year ending 31st March 2010.

Prepare a statement showing the amount now available as bonus to policyholders.

(Ceiling: 35 Marks)

Part C (Essay questions)

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

24. From the liabilities and assets as on 31st March 2016 given below prepare a consolidated balance sheet of A. Ltd. and its subsidiary company B. Ltd.

Liabilities	A. Ltd.	B. Ltd	Assets	A. Ltd	B. Ltd
Share capital:			Land & building	6,40,000	2,00,000
Shares of ₹ 10 each	25,00,000	6,00,000	Machinery	12,60,000	3,40,000
General reserve	3,60,000	1,20,000	Furniture	1,40,000	60,000
Surplus A/c	2,40,000	1,80,000	40,000 shares in B. Ltd.	5,00,000	
Trade creditors	3,50,000	1,00,000	Stock in hand	3,80,000	1,00,000
			Debtors	1,20,000	50,000
	<u>34,50,000</u>	<u>10,00,000</u>	Bank balance	<u>34,50,000</u>	<u>10,00,000</u>

At the date of acquisition of A. Ltd. Of its holding of 40,000 shares in B. Ltd. The latter company had undistributed profits and reserves amounting to 1,00,000 none of which has been distributed since then.

25. 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		
Intangible assets- Goodwill	2	4,50,000
2. Current Assets		
Short term investments		20,000
Bank		<u>1,10,000</u>
		<u>6,30,000</u>

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.

26. Explain prior period errors.