

30. Prepare final accounts of Century bank Ltd for the year ended 31-3-2017.

Debit balance	Amount	Credit balance	Amount
Cash in hand	200000	Interest received on advances	800000
Balance with other banks	400000	Interest on investments	125000
Cash with RBI	100000	Commission, exchange etc	200000
Investment	400000	Profit on sale of investment	20000
Bills purchased and discounted	250000	Other receipts	80000
Salary and allowances	75000	Share capital	2000000
Printing	35000	Statutory reserve	900000
Other expenses	45000	Bills payable	100000
Interest accrued	50000	Borrowings from RBI	100000
Interest paid	120000	Borrowings from other banks	300000
Furniture	250000	Current a/c	125000
Premises	1375000	Savings bank a/c	325000
Term loan	1275000	Fixed deposit	275000
Cash credit and overdraft	1425000	P/L a/c (1-4-2016)	650000
Total	6000000	Total	6000000

Adjustments

- Bills for collection Rs 235000
- Provide for doubtful debt Rs 385000
- Proposed dividend on shares @ 20%

31. Chandra Ltd and Bhanu Ltd are companies in the same field. They decided to amalgamate and form Chandrabhanu Ltd.

Liabilities	Chandra Ltd	Bhanu Ltd	Assets	Chandra Ltd	Bhanu Ltd
Equity capital	500000	800000	Goodwill	400000	200000
General reserve	200000	300000	Land & Building	340000	725000
P/L account	60000	70000	Stock	100000	285000
Workmen's compensation fund	40000	-	Debtors	40000	60000
Dividend equalisation fund	70000	70000	Bank	20000	30000
Creditors	30000	60000			
Total	900000	1300000	Total	900000	1300000

There is no liability under Workmen's Compensation fund. Pass journal entries in the books of transferor companies and prepare amalgamated balance sheet of Chandrabhanu Ltd assuming amalgamation in the nature of purchase. Goodwill of Chandra Ltd is revalued at Rs 500000 and that of Bhanu Ltd at Rs 300000.

(2 x 15 = 30 Marks)

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(Pages: 4)

Name:

Reg. No.....

THIRD SEMESTER B.Com. DEGREE EXAMINATION NOVEMBER 2018

(Supplementary)

(CUCBCSS-UG)

CC15U BC3 B04 - CORPORATE ACCOUNTING

(Core Course)

(2015 Admission)

Time: Three Hours

Maximum: 80Marks

Part A

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

A: Fill in the blanks:

1. Calls in Arrears carry an interest of -----% p.a.
2. Dividend declared in between two annual general meetings is called -----.
3. The excess amount paid to transferor company than the networth is debited to ----- a/c.
4. A share of profit of the insurance company available to the policy holder is known as -----.
5. In a bank's balance sheet, silver is shown under the schedule -----.

B. State whether the following statements are True or False.

6. A bank cannot grant advance on the security of its own shares.
7. Commission on reinsurance accepted is an income.
8. Amalgamation adjustment a/c appears on the liability side of Balance sheet.
9. Loans given to the directors of the company appear under the head unsecured loans.
10. Debenture interest is payable only if there is profit.

(10 x 1 = 10 Marks)

Part B

Write short answer on any eight questions. Each question carries 2 marks.

11. What are Mortgage Debentures?
12. What is Minimum Subscription?
13. What is a valuation Balance Sheet?
14. What is NPA?
15. What is Capital Reduction account?
16. What is pooling of interest method?
17. What is Contingent Liability? Give an example.

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Turn Over

18. What is Surrender of shares?
 19. What is Capital Reserve?
 20. What is Money at call and short notice?

(8 x 2 = 16 Marks)

Part C

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

21. What are the differences between Amalgamation in the nature of merger and Amalgamation in the nature of purchase?
 22. Briefly explain the provisions of transferring to Reserve of Joint Stock Companies?
 23. What is issue of shares at a discount? What are the conditions to be followed by a company for issuing shares at a discount?
 24. A life insurance company get its valuation made in every two years. Its Life Assurance Fund on 31st March 2012 amounted to Rs 4140000 before providing for the shareholders dividend Rs 30000. Its actuarial valuation on 31st March 2012 disclosed a net liability of Rs 4040000. An interim bonus of Rs 60000 was paid to policy holders during the year. Prepare a statement showing the amount now available to policyholders as bonus.

25. Calculate Rebate on bills discounted on 31-3-2017

Amount of bill (in Rs.)	Rate of discount	Due date
23000	10%	15 th May 2017
40000	11%	10 th July 2017
75000	10%	3 rd June 2017
100000	9%	4 th May 2017

26. Mohan Co Ltd forfeited 200 equity shares of Rs 10 each issued at a premium of Rs 4 per share held by John for non-payment of final call of Rs 5 per share. These shares were reissued to Ganesh at a discount of Rs 3 per share. Give journal entries for the forfeiture and reissue of shares.
 27. Azad company Ltd issued 7500 13% debentures of Rs 100 each redeemable at a premium of 10%. Pass journal entries in the books of the company on issue and redemption of debentures.

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28. Give journal entries for the following.

- a. 100000 equity shares of Rs 10 each reduced to shares of Rs 6 each fully paid up.
 b. 40000 12% preference shares of Rs 10 each converted into 40000 14% preference shares of Rs 7.5 each.
 c. The goodwill of Rs 200000 and debit balance in P/L a/c Rs 250000 to be written off.
 d. The value of buildings which stood at Rs 400000 to be written down to Rs 350000.

(6 x 4 = 24 Marks)

Part D

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

29. Following is the trial balance of Oriental Life Insurance Company as on 31-3-2017.

Prepare Revenue a/c and a Balance Sheet (Rs in thousands)

Debit Balance	Amount	Credit Balance	Amount
Loans on company policies	174600	Premium	365900
Loans on govt securities	700000	Profit on sale of investments	10800
Mortgages	886800	Claims outstanding	58400
Agents balance	6800	Trade creditors	7700
Investments	960300	Life Assurance fund(1-4-2016)	800000
Cash at bank	12700	Consideration for annuities granted	12200
Cash in hand	1750	Interest, dividend, rent etc	120500
Furniture	1500	Share capital	2000000
House property	59800		
Loans on life policies	4200		
Expenses of management	18200		
Stock of stamps	150		
Deposits with RBI	200000		
Commission	9800		
Bonus in cash	4200		
Surrenders	21100		
Claims by maturity	104700		
Claims by death	172600		
Annuities paid	7600		
Outstanding premium	21600		
Advance income tax	7100		
Total	3375500	Total	3375500

(3)

Turn Over