

31. Following balances have been extracted from the books of Sun Light Supply Corporation as on 31st March 2017:

	Dr.	Cr.
Equity shares		1,64,700
Debentures		70,000
Depreciation fund account		75,000
Sundry creditors		300
Capital expenditure on 31-3-2016	2,85,000	
Capital expenditure during 2016-17	18,300	
Sundry Debtors	22,000	
Other Debtors	150	
Stores in hand	1,500	
Cash in hand	1,500	
Cost of generation of electricity	10,000	
Cost of distribution of electricity	1,500	
Rent, Rates and Taxes	1,500	
Management Expenses	3,600	
Depreciation	6,000	
Interest on Debentures	3,000	
Interim Dividend	6,000	
Sale of Current		39,000
Meter Rent		1,500
Balance of Net Revenue Account as on 1 st April 2016		9,550
	3,60,050	3,60,050

From the above given balances prepare Revenue Account, Net Revenue Account, Capital Account and General Balance Sheet.

(2 × 15 = 30 Marks)

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(Pages: 4)

Name:

Reg. No.

THIRD SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOV 2019

(Regular/Supplementary/Improvement)

(CUCBCSS-UG)

CC17U BCP3 B01 - CORPORATE ACCOUNTING

(B.Com. Professional – Core)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part I

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

- Capital redemption reserve and security premium can be utilized only for issuingbonus shares.
 - Fully paid
 - Partly paid
 - Fully paid or partly paid
 - None of these
- Interest on debenture is
 - Adjustment of profit
 - Appropriation of profit
 - Charge on profit
 - None of these
- The acquiree in a business combination is also called
 - Holding company
 - Parent company
 - Subsidiary company
 - None of these
- The profit and loss account under double account system is termed as
 - Income and expenditure a/c
 - Revenue account
 - Receipt and payment a/c
 - Net revenue account
- Operating expenses of Banking companies shown under the schedule
 - Schedule 2
 - Schedule 3
 - Schedule 4
 - Schedule 5
-leases are usually short term rental agreements with the lessor being responsible for the repairs and maintenance of the asset.
- All business combinations are accounted for by applying themethod.
- No company limited by shares shall issue any preference shares which is redeemable after the expiry ofyears from the date of issue.
- Buy back of equity shares is a process of capital
- No journal entry is required for the cancellation ofshare capital.

(10 × 1 = 10 Marks)

Part II (Short Answer Questions)

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

- What do you mean Minority interest?
- What is Non –Banking Assets?
- What is life assurance fund?
- What is Ex-right price?
- Explain share based payment.

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16. What do you understand by sale and lease back transaction?
17. Give list of any two reserves which can be utilized for issue of bonus shares.
18. What is fictitious asset?
19. Sun Ltd. Offers one shares for every three shares held to its shareholders. The issue price is ` 32 and the cum-right price in the market is ` 45. What is the market value of a right?
20. Determine the amount of fresh issue of shares from following information relating to a company:
- Redeemable preference share capital ` 4,00,000
 - premium on redemption of preference shares 10%
 - surplus account ` 1,20,000
 - General Reserve ` 80,000
 - Securities premium account ` 30,000
 - Equity shares capital consist of 50000 shares of ` 10 each
 - Fresh issue to be made at a discount of 10% to the extent desirable for redemption of preference shares which could not otherwise redeemed.

(8 × 2 = 16 Marks)

Part III (Long Answer Questions)

Answer any *six* questions. Each question carries 5 marks.

21. Distinguish between operating lease and finance lease. What are the situations when each type of such leasing arrangement is suitable for the lease?
22. Discuss legal provisions regarding capitalization of profit.
23. Explain the methods of redemption of debenture.
24. What do you mean by capital redemption reserve account? How is it created? How can it be utilize?
25. On 1st January 2017 Y Ltd. issued 10,000 7% Debentures of ` 100 each at a discount of 5%
- That interest shall be payable on 30th June and 31st Dec. every year and
 - That on the 31st December every year, one-fifth of the debentures shall be redeemed
 - Pass relevant journal entries in the books of the company including cash transactions for the years 2017 and 2018.
26. A life insurance company gets its valuation made once in every two years. Its life assurance fund on 31 march 2016 amounted to 41, 40,000 before providing 30000 rupees for the shareholders dividend for the year 2015-2016. Its actuarial valuation due on 31st march 2016 disclosed a net liability of ` 40, 40,000 under assurance annuity contracts. An interim bonus of ` 60000 was paid to the policy holders during the year ending 31st march 2016
- Prepare a statement showing the amount now available as bonus to policy holders.
27. From the following information find out the amount of provision to be shown in the Profit and Loss Account of a commercial bank:

Assets	` In Lakhs	Doubtful (fully secured):	` In Lakhs
Standard	10,000	For one year	3000
Sub standard		For three year	1,600
(value of security Rs.5000 lakh)	6,000	For more than three year	600
Loss assets	2,200		

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28. Ledger balances of Ram Ltd. as at 31-3-2017 are given below:

Cr Balances	`	Dr. Balances	`
Paid up capital 40000		Fixed assets	10,00,000
Equity shares of Rs. 10 each	4,00,000	Stock	3,00,000
Free reserve	4,50,000	Debtors	1,50,000
Security premium account	1,50,000	Bank Balance	5,50,000
Debentures	6,25,000		
Creditors	3,75,000		
	<u>20,00,000</u>		<u>20,00,000</u>

On the above date share are bought back by the company to the extent possible, at a premium of ` 40 per share.

Pass journal entries and show the balance sheet after buyback of shares.

(6 × 4 = 24 Marks)

Part IV (Long Essays)

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

29. Give in brief the various provisions of the Banking Regulation Act, 1949 relating to the annual accounts of the banking company.
30. X Ltd acquired 4,000 shares on 30th June, 2017 in Y Ltd. X.Ltd received 10% dividend for the year 2016 and it is credited in Profit and Loss Account of X Ltd.

	X Ltd	Y Ltd
I Equity and Liabilities		
Share capital	70,000	60,000
Equity share capital of Rs.10 each		
Reserve and Surplus		
General Reserve (1-1-2017)	12,000	10,000
Surplus A/c (1-1-2017)	4,000	8,000
Profit for the year ended 31-12-2017	30,000	20,000
Current liabilities		
Trade payables	10,000	8,000
Total	<u>1,26,000</u>	<u>10,6000</u>
II Assets		
Non-current Assets		
Fixed assets	54,000	70,000
Investment		
Investment in Y Ltd	52,000	-----
Current Assets	20,000	36,000
Total	<u>1,26,000</u>	<u>10,6000</u>

You are required to prepare Consolidated Balance Sheet for X Ltd as on 31st December, 2017 from the above information.

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