

20U358S

(Pages: 5)

Name: .....

Reg. No: .....

**THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2021**

(CUCBCSS-UG)

**CC16U BC3 B04 - CORPORATE ACCOUNTING**

(Commerce – Core Course)

(2016 Admission - Supplementary)

Time: Three Hours

Maximum: 80 Marks

**Part-A**

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

Fill in the blanks:

1. ----- are entitled to a fixed rate of dividend.
2. Premium on redemption preference shares can be provided out of divisible profit or -----  
--
3. ----- is an acknowledgement of debt due by a company issued under its common seal.
4. ----- refers to the reconstruction of the capital structure of a company without liquidation.
5. The profit/loss on realisation account is transferred to ----- account.

State whether true or false:

6. Valuation Balance sheet is prepared by a banking company.
7. Consideration for annuities granted is an income for the insurance company.
8. In endowment insurance policy, the assured sum is paid only on the death of the insured.
9. Capital redemption reserve can be utilized for issuing fully paid bonus shares.
10. The cost of reorganization is debited to capital reduction account.

**(10 × 1 = 10 Marks)**

**Part-B**

Answer any *eight* questions in two or three sentences.

Each question carries 2 marks.

11. What is pro-rata allotment?
12. What is reversionary bonus?
13. What is unclaimed dividend?
14. What is a trust deed?
15. What is sinking fund?
16. What do you mean by net asset?
17. What is capital reduction account?
18. What is a valuation balance sheet?
19. What do you mean by reserve for unexpired risk?
20. What do you mean by reduction of capital?

**(8 × 2 = 16 Marks)**

(1)

**Turn Over**

**Part-C**

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

21. Differentiate between pooling of interest method and purchase method of amalgamation.
22. Distinguish between life insurance and general insurance.
23. What is purchase consideration? Explain the different methods of calculating purchase consideration.
24. Journalise the following transactions at the time of issue and redemption of debentures whose face value is Rs. 100:
  - a) A company issued Rs. 90,000 13% debentures at a discount of 10%, redeemable at par.
  - b) A company issued Rs. 90,000 13% debentures at par, redeemable at 10% premium.
  - c) A company issued Rs. 90,000 13% debentures at a discount of 10%, redeemable at 5% premium.
25. On 31st March 2015, the Life Assurance Fund of Sun Life Assurance Company stood at Rs.1,50,00,000. Its net liability as per actuarial valuation as on that date was Rs. 88,00,000. A dividend of Rs. 9,00,000 was payable to the shareholders for the year 2014-2015. But an interim bonus of Rs. 5,50,000 was paid to the Policy holders during the two year period ending 31st March 2015. Show how much amount the policyholders can get by way of bonus.
26. A Ltd had its issued capital comprising 20,000 equity shares of Rs.10 each payable as Rs. 2 on application, Rs. 3 on allotment (including premium) Rs. 3 on first call and Rs. 3 on final call. The shares were called up to first call. All the money was received except from A holding 300 shares, who paid only up to application and except from B holding 100 shares who paid up to allotment. All these shares are forfeited. All these shares were reissued to C on payment of Rs. 6 per share and as paid up to the same extent as other shares. Pass journal entries for forfeiture and re-issue of shares.
27. A Ltd. And B Ltd. decided to amalgamate and a new company AB Ltd. has been formed to take over the combined concern as on 31-03-2012. After negotiations, the assets of the two companies have been agreed as shown in the following balance sheet:

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Issued capital:			Land & building	5,00,000	3,00,000
Shares of Rs. 10 each	10,00,000	5,00,000	Plant & machinery	2,00,000	2,50,000
	80,000	50,000	Goodwill	-	50,000
Sundry creditors	-	50,000	Stock	1,50,000	20,000
Reserve fund	50,000	50,000	Sundry debtors	1,20,000	20,000
P & L Account			Cash at bank	50,000	10,000
			Patents	1,10,000	-
	11,30,000	6,50,000		11,30,000	6,50,000

Calculate purchase consideration

31. Following figures have been obtained from the books of the Life Insurance Corporation as on 31<sup>st</sup> March, 2012.

	Dr (Rs. in 000)	Cr (Rs. in 000)
Paid up share capital (1,00,00,000 shares of Rs. 10 each)	-	1,00,000
Life Assurance Fund as on 1 <sup>st</sup> April, 2011	-	29,72,300
Bonus to policy holders	31,500	-
Premiums received	-	1,61,500
Claims paid	1,97,000	-
Commission paid	9,300	-
Management expenses	32,300	-
Mortgages in India	4,92,200	-
Interest and dividend received	-	1,12,700
Agents' balances	9,300	-
Freehold premises	40,000	-
Investments	23,05,000	-
Loan on policies	1,73,600	-
Cash on deposits	27,000	-
Cash in hand	7,300	-
Surrenders	7,000	-
Dividend paid	15,000	-

You are required to prepare the Corporation's Revenue account for the year ending 31<sup>st</sup> March, 2012 and its Balance sheet as on that date after taking into consideration the following:

**(2 × 15 = 30 Marks)**

\*\*\*\*\*