

31. The following balances appeared in the books of R Ltd. on 31.03.2019:-

	Debit		Credit
	Rs.		Rs.
Stock (1.04.2018) ...	60,000	Sales ...	3,47,600
Purchases ...	1,80,000	Interest ...	4,800
Freight ...	8,000	Reserve Fund ...	32,000
Wages ...	18,600	Paid up capital ...	1,20,000
Salaries ...	24,000	Retained earnings	64,500
Insurance ...	9,200		
Administrative expenses ...	16,000	Creditors ...	35,600
Building ...	1,00,000	Bills payable ...	20,000
Carriage inwards ...	8,400	6% Debentures ...	80,000
Interim dividend ...	7,200		
Bills receivables ...	32,600		
Debtors ...	29,200		
Investments ...	34,000		
Machinery ...	1,77,300		
	7,04,500		7,04,500

Adjustments:

- a. Closing stock Rs. 43,200
- b. Depreciate machinery by 10%
- c. Transfer Rs. 25,000 to Reserve Fund
- e. Provide for debenture interest for one year
- f. 5000 shares of the same class were issued during the year
- g. Make a provision for income tax @50%

Prepare Statement of Profit and Loss and Statement of Change in Equity for the year ended 31st March 2019 and Balance Sheet as at that date as per Ind AS 1.

(2 × 15 = 30 Marks)

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(Pages: 6)

Name:

Reg. No:

THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS-UG)

CC17U BC3 B04 - CORPORATE ACCOUNTING

(Commerce – Core Course)

(2017, 2018 Admissions – Supplementary/Improvement)

Time : 3 Hours

Maximum : 80 Marks

Part-I

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

Choose the correct answer:

1. Ind AS 102 deals with
 - a. Lease transactions
 - b. Share based payment transactions
 - c. Government grants
 - d. Business combinations
2. If a sale and lease back transaction is a finance lease, any excess of sale proceed over the carrying amount shall be
 - a. Immediately recognized as income
 - b. Written down to its recoverable amount
 - c. Deferred and amortised over the lease period
 - d. None of these
3. Subsequent issue of shares by an existing company to its existing shareholders is known as
 - a. Right issue
 - b. Bonus issue
 - c. Private issue
 - d. Employee stock option scheme
4. Premium on redemption preference shares can be provided out of divisible profit or
 - a. Fresh issue of shares
 - b. Fresh issue of debentures
 - c. Divisible profits
 - d. All of these
5. is the statement that shows the movement of equity during a period.
 - a. Statement of Profit or Loss
 - b. Statement of Change in Equity
 - c. Statement of Financial Position
 - d. Statement of Movement of Equity

Fill in the blanks:

6. Inventory is measured at cost or whichever is less.
7. Buy back of shares should not exceed percentage of the total paid up capital and free reserves of the company.
8. The excess of the nominal value of shares acquired by the acquirer company over its actual cost is known as
9. Under double account system, the balance sheet has two parts namely, and general balance sheet.

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Turn Over

10. Lease payments by the lessor under an operating lease is recognized as

(10 × 1 = 10 Marks)

Part-II

Answer any *eight* questions in two or three sentences. Each question carries 2 marks.

11. What is financial lease?
12. What is equity based payment transaction?
13. What is consolidation of shares?
14. What is non- controlling interest?
15. What is clear profit?
16. What do you mean by post acquisition profit?
17. What is CRR?
18. What are bonus shares?
19. What is cost of control?
20. What is surplus for electricity companies?

(8 × 2 = 16 Marks)

Part-III

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

21. Exchange Ltd. has an issued share capital of 650 7% redeemable preference shares of Rs. 100 each and 4500 equity shares of Rs.50 each. The Preference Shares are redeemable at premium of 7.5% on April 1, 2015. The company's Balance Sheet as on 31st March, 2015 was as follows:

Liabilities	Rs.	Assets	Rs.
Share Capital: Issued 650 7% redeemable preference shares of Rs. 100 each fully paid	65,000	Fixed assets	3,45,000
4500 Equity shares of Rs. 50 each fully paid	2,25,000		
Surplus a/c	48,000	Investments	18,500
Sundry Creditors	56,500	Balance at bank	31,000
Total	3,94,500	Total	3,94,500

In order to facilitate the redemption of preference shares, the company decided:

- a. To sell all the investments for Rs. 16,000
- b. To finance part of the redemption from company's funds subject to leaving a balance of Rs. 12,000 in the Surplus A/c.
- c. To issue sufficient equity shares of Rs. 50 each at a premium of Rs. 13 per share to raise the balance of required fund.

The preference shares were redeemed on the due date and the issue of equity shares was fully subscribed. You are required to prepare the necessary journal entries to record the redemption process.

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30. On 31st March, 2016 following was the Balance Sheet of New Era Ltd:

	Rs. in lakhs
I. Equity and liabilities	
1. <i>Shareholders' Funds</i>	
a. Share capital:	
Equity fully paid shares of Rs. 10 each	2,400
b. Reserves and surplus:	
Securities premium	350
General reserve	930
Surplus account	340
2. <i>Non-current liabilities</i>	
12% Debentures	1,500
3. <i>Current liabilities</i>	
a. Sundry creditors	750
b. Sundry provisions	390
Total	6,660
II. Assets	
1. <i>Non-current assets</i>	
a. Fixed assets:	
Machinery	3,600
Furniture	452
b. Investments	148
2. <i>Current assets</i>	
a. Stock	1,200
b. Debtors	520
c. Cash at bank	740
Total	6,660

On 1st April, 2016, the company announced the buyback of 25% of its equity shares @ Rs. 15 per share. For the purpose, it sold all of its investments for Rs. 150 lakhs and issued 2,00,000 14% preference shares of Rs. 100 each at par, the entire amount being payable with application.

The issue was fully subscribed. The company achieved the target of the buyback. Later, the company issued one fully paid up equity share of Rs. 10 by way of bonus share for every four equity shares held by the equity shareholders.

Show journal entries for all the transactions and prepare the resultant Balance Sheet.

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Turn Over