

30. Popular Insurance Co. Ltd has the following ledger balances on 31st March 2020

Particulars	Rs. in (000)
Claims by death	18,000
Claims by maturity	22,000
Salaries and allowances	1,600
Directors fees	300
Other expenses	180
Premium on direct business	32,600
Premium on reinsurance accepted	6,800
Premium on reinsurance ceded	2,500
Claims on reinsurance accepted	680
Claims on reinsurance ceded	120
Annuity	1,600
Surrenders	720
Consideration for annuities	18,000
Registration fees	80
Interest, dividend, rent	2,400
Commission on direct business	1,200
Commission on reinsurance accepted	100
Commission on reinsurance ceded	320
Interim bonus	320

Premium outstanding on 31st March, 2020 amounted to Rs.3,00,000 and claims outstanding Rs. 2,20,000. Transfer Rs.18,00,000 to contingency reserve. Prepare Revenue a/c.

31. From the following ledger balances of Lakshmi bank, prepare profit & loss account and balance sheet as on 31st March 2017.

	Rs. (in 000)		Rs. (in 000)
Share capital (12,500 equity shares of Rs. 100 each)	1,250	Interest, discount & commission	245
Statutory reserve	600	Depreciation on premises	22
Current deposits	7,732	Payment to employees	74
Profit & loss account (balance)	15	Cash in hand & with RBI	1,584
Interest paid	27	Money at call & short notice	274
Government securities	600	Bills discounted	379
Other securities	825	Loans & advances	4,665
Bank premises	418	Non banking assets	337
Shares & stock	637		

Make provision for rebate on bills discounted Rs. 3,000

(2 × 15 = 30 Marks)

(4)

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(Pages: 4)

Name:

Reg. No:

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

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC17U BCP3 B09 - CORPORATE ACCOUNTING

(Core Course)

(2017 Admissions onwards)

Time: Three Hours

Maximum: 80 Marks

PART I

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

- Capital account in double account system contains
 - All assets and liabilities
 - Long term assets & long term liabilities
 - Expired discount
 - Unexpired discount
 - Business amalgamation
 - Business merger
 - A company uses internal reconstruction when
 - It has huge losses
 - It has huge profit
 - Bonus issue is known as _____
 - Loans on which the lender promises to wave repayment is called _____
 - Buy back of shares should not exceed _____ percent of paid up capital and free reserves of the company.
 - A parent company and its subsidiaries jointly known as a _____
 - On standard assets, a minimum provision of _____ percentage is required.
- Appropriation of profits
- Revenue expenses & incomes
- Surplus or deficiency
- Net liability
- Earned discount
- Received discount
- Business combinations
- Business reconstruction
- It wants to issue bonus shares
- It wants to take over another company

(10 × 1 = 10 Marks)

PART II (Short Answer Questions)

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

- Define business combination.
- What are Non banking assets?
- What do you mean by double insurance?

(1)

Turn Over

14. What is Non Controlling Interest (NCI)?
15. What is right share?
16. What do you mean by buyback of shares?
17. List the advantages of bonus issue.
18. What is reversionary bonus?
19. What is capital redemption reserve account?
20. Define double account system.

(8 × 2 = 16 Marks)

PART III (Long Essays)

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

21. Explain the provisions relating to bonus issue.
22. What are the methods of redemption of debentures?
23. How will you compute goodwill or capital reserve on consolidation?
24. Explain two types of share based payment transactions.
25. A company has 10,000 11 % redeemable preference shares of Rs. 100 each fully paid. The company decides to redeem the shares at par. For the purpose it issue 50,000 equity shares at Rs. 10 each and the balance is made available from the accumulated profit. The issue was fully subscribed and all the amounts were received. The redemption was duly carried out. Give journal entries.
26. Secure Ltd. had authorised capital of Rs.20 crores of Rs. 100 each, equity shares and an Issued and Subscribed Capital of Rs.10 crores. The company decided to buy-back 25% of its share capital direct from its shareholders at Rs.75 per share. The company had issued Rs.2 crores, 10% preference shares two months back for the purpose of buy-back, the balances in the following accounts were:

Securities Premium Account	Rs. 10,00,000
General Reserve Account	Rs. 80,00,000

Record the transactions in the books of the company in accordance with the provisions of the Act.

27. Calculate rebate on bills discounted on 31-3-2012.

Amount of bill	Rate of discount	Due date
23,000	10%	15th May 2012
40,000	11%	10 th July 2012
75,000	10%	3 rd June 2012
1,00,000	9%	4 th May 2012

Also give the journal entry for recording rebate on bills discounted on 31.3.2012

28. The net liability in respect of life policies annuity contracts of Long Life Insurance Co. Ltd. on 31st March, 2017 was Rs.1, 08, 60,000. Its life fund on that date was Rs. 1, 22, 50,000. During the valuation period, it had paid interim bonus amounting to Rs.60, 000. The dividend for 2016-17 amounting to Rs.40,000 was still unpaid. Ascertain the share of profits that the policy holders can get as a result of the valuation.

(6 × 4 = 24 Marks)

PART IV (Long Essays)

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

29. The following are the balances in the books of Sukanya Electricity Company Ltd as on 31.03.2019.

Particulars	Rs. (Dr)	Rs. (Cr)
Land on 01.04.2018	9,00,000	
Land acquired during the year	30,000	
Machinery on 1.04.2018	36,00,000	
Machinery purchased during the year	30,000	
Mains including cost of laying on 01.04.2018	12,00,000	
Mains laid during the year	3,06,000	
Ordinary share capital		32,94,000
Debentures		12,00,000
Trade payables		6,000
Depreciation reserve		15,00,000
Sundry debtors for energy supplied	2,40,000	
Other debtors	3,000	
Cash in hand and at bank	30,000	
Cost of generation of electricity	2,10,000	
Cost of distribution of electricity	30,000	
Rent, rates and taxes	30,000	
Expenses of management	72,000	
Depreciation	1,20,000	
Sale of energy		7,80,000
Rent of meters		30,000
Interest on debentures	60,000	
Interim dividend	1,20,000	
Balance of net revenue a/c (1.04.2018)		1,71,000
	<u>69,81,000</u>	<u>69,81,000</u>

Prepare final accounts of the company under Double Account System.