



QP CODE: 22101425



Reg No : .....

Name : .....

**B.COM DEGREE (CBCS) IMPROVEMENT / REAPPEARANCE EXAMINATIONS,  
MAY 2022**

**Fourth Semester**

**Core Course - CO4CRT11 - CORPORATE ACCOUNTING II**

(Common for B.Com Model II Computer Applications ,B.Com Model II Finance & Taxation,B.Com Model II Marketing,B.Com Model II Travel & Tourism,B.Com Model III Office Management & Secretarial Practice ,B.Com Model III Taxation ,B.Com Model III Computer Applications ,B.Com Model I Co-operation ,B.Com Model I Marketing ,B.Com Model I Finance & Taxation ,B.Com Model I Travel & Tourism ,B.Com Model II Logistics Management )

2017 Admission Onwards

BEA3628C

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is double insurance?
2. What is commission on reinsurance accepted?
3. Define Banking.
4. Explain the briefly the treatment of baddebt and provision for doubtful debt in final accounts of banking company.
5. State the various ways in which internal reconstruction can be carried out.
6. What is consolidation of share capital?
7. On the date of capital reduction , a company finds that its building has appreciated by Rs. 50,000 and the value of stock has gone up by Rs. 40,000 Journalise
8. Explain briefly 'AS -14'.
9. Explain the term ' Taking over the Business'.
10. Explain any two differences of Absorption and External Reconstruction.
11. Who is a Liquidator?
12. What is Fraudulent Preference?





(10×2=20)

**Part B**

Answer any **six** questions.

Each question carries **5** marks.

13. What are the type of registers and books maintained by life insurance companies?
14. Revenue account of a life insurance company discloses a surplus of Rs.10,00,000 on 31.03.2019 before taking the following:
- i. A claim of Rs.10,000 was intimated and admitted but not paid during the year
  - ii. A claim of Rs.6,000 outstanding in the books for 8 years is written back
  - iii. Interest on securities accrued Rs.800
  - iv. Rent of the building occupied Rs.2,000
  - v. Premium of Rs.600 is payable under reinsurance
  - vi. Reinsurance recoveries Rs.26,000
  - vii. Bonus in reduction of premium Rs.10,000
  - viii. Agent's commission to be paid Rs.8,000

Pass the necessary journal entries for the above omissions and recomputed the correct surplus for the year

15. Explain the classification of advances for determining provision for bad debts?
16. Chandru Ltd. Resorted to internal reconstruction. The scheme is as under
- a).80,000 equity shares of Rs. 10 each fully paid to be converted into 40,000 equity shares of Rs. 5 each fully paid
  - b).4,000 12 % preference shares of Rs. 100 each fully paid to be converted into 40,000 equity shares of Rs. 5 each fully paid
  - c).600 15% debentures of Rs. 1000 each to be discharged by the issue of 80,000 equity shares of Rs. 5 each fully paid .
  - d)The amount so available be appropriated to write off the following : P&L account debit balance Rs. 4,00,000, goodwill Rs. 2,00,000, plant and machinery Rs. 1,50,000. Pass necessary journal entries.
17. White Ltd. has an equity share capital of Rs. 50,00,000 consisting of 50,000 shares of Rs. 100 each . It is resolved and sanction of the court has been obtained .
- 1)To subdivide the shares into fully paid equity shares of Rs. 10 each.
  - 2) 80 % of the shares to be surrendered to the company .
  - 3) 2,00,000 of surrendered shares to be issued to 15% debentures of Rs.25,00,000 in full settlement of their claim .
  - 4) 1,00,000 of the surrendered shares to be issued as fully paid to creditors of Rs.12,50,000.





- 5)The balance of the surrendered shares to be cancelled .  
 6)To write off debit balance of in P&L account Rs. 30,20,000, goodwill Rs. 13,80,000,preliminary expenses Rs. 1,50,000 and balance to be transferred to capital reserve.

Give Journal entries to implement the scheme

18. Given below the extracts of the Balance Sheet of CRI Ltd. as at 31.03.2018.

Particulars	Amount (Rs )
Equity Share Capital of Rs 10 each	60,000
10% Preference Share Capital	8,000
15% Debentures	8,000
Trade payables	9,000
Reserves and Surplus	28,000
Assets	48,000
Intangible Assets	25,000
Inventory	15,000
Receivables	6,000
Cash Equivalent	19,000

Haj Ltd. agrees to take over CRI Ltd. Calculate Purchase consideration on the basis of the information such as Good will is revalued at Rs 12,000, Assets are valued at Rs 55,000/- Inventories revalued at Rs 11,000/- and the receivables at book value. Haj Ltd. does not take over the cash balances but to agree to assume the liability of Trade payables at Rs 6,000/

19. The following are the information taken from the Balance sheet of J Ltd. as on 31st March 2018. You have to pass necessary journal entries to close the books of Accounts. Then Prepare realization Account also.

Share capital	300000
Debentures	150000
General Reserve	50000
Creditors	30000
Good will	50000
Assets	350000
Preliminary Expenses	15000





Bank 115000

20. Pass the journal entries for the assets and liabilities taken over by the new company, liquidation expenses met by Transferee Company, Preliminary expenses of the new company and purchase consideration due in the books of new company.
21. Distinguish between Member's and Creditor's voluntary winding up.

(6×5=30)

**Part C**

*Answer any two questions.*

*Each question carries 15 marks.*

22. The following is the trial balance of New India Insurance company as on 31.03.2019:

	Dr.	Cr.
Paid up capital: 10,000 shares of Rs.10 each		1,00,000
Life Fund balance on 01.04.2018		29,72,300
Dividend paid	15,000	
Bonus in reduction of premium	31,500	
Claims less reinsurance	1,97,000	
Commission	9,300	
Management expenses	32,300	
Mortgages in India	4,92,200	
Agents balance	9,300	
Freehold premises	40,000	
Investments	23,05,000	
Loans on policies	1,73,600	
Cash in hand and at bank	27,000	
Cash on current account	7,300	
Premium less reinsurance		1,61,500
Outstanding claim on 01.04.2018		7,000
Interest, dividend and rent		1,12,700
Consideration for annuity granted		10,000
Surrenders	7,000	
Preliminary expense	7,000	
Annuities less reinsurance	<u>10,000</u>	
	<u>33,63,500</u>	<u>33,63,500</u>

You are required to prepare the revenue account and profit and loss account of the insurance company as on 31.03.2019 and its Balance sheet as on that date after taking the following matters into consideration:

- a. Claims outstanding Rs.10,000
- b. Further bonus in reduction of premium Rs.5,000





- c. Premium outstanding Rs.5,000
- d. Claims covered under reinsurance Rs.80,000
- e. Management expenses due Rs.5,000
- f. Commission on reinsurance premium Rs.5,000
- g. General administrative expense outstanding Rs.8,000
- h. Transfer to fund for future appropriation Rs.9,000
- a. Directors propose a final dividend of 10% of paid up capital

23. Give the model form of the balance sheet of a banking company with suitable schedules(use imaginary figures).
24. The Balance Sheet of Devin Ltd. as on 31st December 2018 was as follows.

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Share capital ( 10 each )	200000	Land & Building	125000
6% Debentures	60000	Machineries	77000
Creditors	8000	Furniture	9800
		Stock	31200
		Debtors	14500
		Profit and Loss A/C	10500
	<b>268000</b>		<b>268000</b>

It was decided to reconstruct the company and for this purposes a new company named Linvin Ltd. was formed with nominal capital of Rs 200000/- divided in to 500 10% preference shares of Rs 200/- each and 5000 equity shares of Rs 20/- each to take over the assets and liabilities of Devin Ltd. on the following basis. A) The debenture holders in Devin Ltd. are to accept 300 preference shares, B) the share holders of Devin Ltd. are to receive one equity share in Linvin Ltd. for every four shares held by them and C) the cost of liquidation amounting to Rs 2000/- is paid by the new company. The balance of preference shares has been issued and taken up by the public. Pass necessary journal entries and prepare important ledger accounts in the books of Devin Ltd. and pass necessary opening entries in the books of new company.

25. From the following data relating to a company ( in voluntary liquidation), you are asked to prepare Liquidator's Final Statement of Account.





- a. Cash with liquidator (after all assets are realized and secured creditors and debenture holders are paid) is ₹ 6,73,800.
- b. Preferential creditors to be paid ₹ 30,000.
- c. Other unsecured creditors ₹ 2,15,000.
- d. 4,000, 6% Preference shares of ₹ 100 each fully paid.
- e. 2,000 Equity shares of ₹ 100 each, ₹ 75 per share paid up.
- f. 6,000 Equity shares of ₹ 100 each, ₹ 60 per share paid up.
- g. Liquidator's remuneration 2% on preferential and other unsecured creditors.
- h. Preference dividends were in arrear for 2 years.

(2×15=30)

