

Reg. No.....

Name.....

B.COM DEGREE END SEMESTER EXAMINATION - JULY 2021**SEMESTER – 4: COMMERCE (CORE COURSE)****COURSE: U4RCOM11: CORPORATE ACCOUNTING***(For Supplementary - 2014 Admission)*

Time: Three Hours

Max. Marks: 75

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

1. What do you mean by Firm Underwriting
2. What is profit prior to incorporation?
3. What is net worth?
4. What is interim dividend?
5. What is “ Divisible Profit”?
6. What is Capital Redemption Reserve?
7. What is intrinsic value?
8. What is Rescue capital
9. What is “ Capital Reduction”?
10. What is Time Ratio? (1 x 10 = 10)

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

11. What do you mean by absorbing company?
12. X Ltd acquires the business of Y Ltd for which X Ltd pays 10,00,000 in equity shares of Rs.10/- each, Rs.7,00,000 in 15% debentures of X Ltd and Rs.4,50,000 in cash. Creditors for Rs.1,50,000 and employees security deposit of Rs.30,000 are also assumed by X Ltd. Calculate purchase consideration.
13. Differentiate between internal reconstruction and external reconstruction?
14. Who are preferential creditors?
15. Differentiate between redemption of shares and buyback of shares?
16. State the provision for the transfer to reserve while declaring dividend.
17. What are the advantages of underwriting?
18. What is Vertical Balance Sheet?
19. What is ‘Liquidator’s Final Statement of Account’?
20. Give the journal entries for the issue of fully paid bonus shares and for converting partly paid shares into fully paid shares through bonus issue (2 x 8 = 16)

PART C

Answer any five questions. Each question carries 5 marks

21. Differentiate Amalgamation from External Reconstruction.
22. X Ltd has redeemable preference share capital of Rs.8,00,000/- in 10,000 preference shares of Rs.100/- each, Rs.80/- paid. It is resolved to redeem the shares at a premium of 20% after fulfilling the formalities. The company makes the following issues :
 1. 50,000 equity shares of Rs.10/- each at a premium of 50%
 2. 2,000, 15% debentures of Rs.100/- each

The company has a credit balance in Profit and Loss account Rs. 3,00,000/- and General Reserve of Rs. 400,000/-. Give journal entries required to implement the scheme.
23. What are the provisions in the Companies Act, regarding the redemption of preference shares?
24. What are the tax adjustments in the preparation of final account of companies?
25. Briefly explain the provisions in the Companies Act for the determination of Managerial Remuneration.
26. Lal Ltd. issued 2,00,000 equity shares of Rs.10 each, of which 50,000 shares were bought back @ 9 per share. The company issued 4,000, 6% preference shares of Rs.100 at Rs.110 each. The company had Rs.2,00,000 in security premium account and Rs.2,40,000 in general reserve. Give journal entries.
27. AB Ltd. has 30,000 equity shares of Rs.10 each, Rs.7 paid-up. Resolution is passed to declare bonus to make the shares fully paid-up and to issue bonus shares in the ratio 1:3. The company has sufficient amount of general reserve. Give journal entries in the books of the company.

(5 x 5 = 25)

PART D

Answer any two of the following questions. Each question carries 12 marks

28. What do you mean by alteration of share capital? Describe the different types of alteration of share capital with their respective accounting treatments
29. The following particulars relate to a Limited Company which has gone into Voluntary Liquidation. You are required to prepare the Liquidator's Final Account, allowing for his remuneration @2% on the amount realized on assets and 2% on the amount distributed to Unsecured Creditors other than Preferential Creditors.

Unsecured Creditors	2,24,000
Preferential creditors	70,000
Debentures	75,000
Assets realized as follows::	
Cash in Hand	20,000
Land & Buildings	1,30,000
Plant & Machinery	1,10,500
Fixtures & Fittings	7,500
The Liquidation Expenses amount to	2,000

A call of Rs.2/- per share on the partly Paid 10,000 equity shares was made and duly paid except in case of one shareholder owning 500 shares.

Prepare the Liquidators Final Statement of Accounts.

30. Prepare the Balance Sheet of a Company in vertical form with imaginary figures.
 31. Following was the Balance Sheet of Minerva Ltd., as on 31st March 2021.

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
4,000 equity shares of Rs.100 each	4,00,000	Goodwill	50,000
2,000 7% Preference Shares of Rs.100 each	2,00,000	Land and Building	1,40,000
6% Debentures	2,00,000	Plant and Machinery	1,50,000
Sundry Creditors	2,00,000	Patents	40,000
		Stock	1,60,000
		Debtors	2,15,000
		Cash in hand	5,000
		Preliminary expenses	25,000
		Discount on issue of Debentures	15,000
		Profit and Loss account	2,00,000
Total	10,00,000	Total	10,00,000

The following scheme of reconstruction was duly accepted and implemented.

- Equity shares are to be reduced to equal number of fully paid shares of Rs.50 each
 - 7% Preference Shares are to be reduced by 30% and the rate of dividend is to be increased to 9%
 - The value of Land and Building is to be increased by 10%
 - The Debentures are to be reduced by 20%
 - All nominal and fictitious assets are to be eliminated and the balance is to be used to write off patents
 - Further equity shares are to be issued for Rs.50,000 for cash
- Give necessary journal entries and prepare the Balance sheet after the reconstruction is implemented

(12 x 2 = 24)
