

B A, BSC, BCOM DEGREE END SEMESTER EXAMINATION – MARCH 2026**UGP (HONS.) SEMESTER – 4: – DISCIPLINE SPECIFIC COURSE****COURSE: 24UCOMDSC205 – CORPORATE ACCOUNTING***(For Regular 2024 Admission)*

Time: 1.5 Hours

Max. Marks: 50

SECTION A**Answer any 5 questions. Each question carries 2 marks.**

1. What do you mean by preferential creditors? (U, CO5)
2. What is consolidation of shares? Give an example. (U, CO3)
3. What do you mean by external reconstruction? (U, CO1)
4. Explain notes to the accounts. (U, CO4)
5. How will you apportion the following items while calculating pre-incorporation profit;
a) tax audit fee, b) audit fees, c) electricity charges, d) discount received (A, CO4)
6. What are the different methods for capital alteration? (U, CO3)
7. Calculate Liquidator's remuneration:

	₹
Cash available for distribution among unsecured creditors	88,000
Unsecured creditors	1,00,000

Liquidator's remuneration is 10% of the amount distributed among the unsecured creditor. (A, CO5)

8. What are Mutual Owings. Explain the treatment of intercompany owings during mergers and acquisitions. (U, CO1)
- (2 x 5 = 10)**

SECTION B**Answer any 4 questions. Each question carries 5 marks.**

9. What do you mean by liquidation? How is it different from insolvency? (U, CO5)
10. Distinguish between amalgamation in the nature of purchase and in the nature of merger. (U, CO2)

11. From the following information, prepare the Statement of Profit and Loss for the year ended 31-03-2024.

Particulars	₹ in Lakhs
Revenue from operations	320
Other income	8
Cost of materials consumed	70
Opening stock	22
Closing stock	10
Salaries and wages	22
Interest on loan	18
Depreciation	50
Other expenses	95

Tax rate - 25%

(A, CO4)

12. Ganesh Ltd., was registered on 01-07-2024 to acquire the running business of Suneel & Co. with effect from 1-1-2024. The following was the Profit and Loss account of the company on 31-12-2024.

Particulars	₹	Particulars	₹
To Office expenses	54,000	By Gross Profit b/d	2,25,000
To Formation expenses (written off)	10,000		
To Stationery & Postage	5,000		
To Selling Expenses	60,000		
To Director's Fees	20,000		
To Net Profit	76,000		
	2,25,000		2,25,000

You are required to prepare a statement showing profit earned by the company in the pre and post incorporation periods. The total sales for the year took place in the ratio 1:2 before and after incorporation respectively.

(A, CO4)

13. The following is the extracts of the Balance sheet of A Ltd. as on the date of its acquisition by B Ltd.

Particulars	₹
Shareholders Funds	26,00,000
Long term Provision (Employee PF)	2,00,000
Trade payables	8,00,000
Intangible Assets (Goodwill)	6,00,000
Total Tangible Assets	18,00,000
Inventories	4,00,000
Cash and Cash Equivalents	1,00,000
Trade Receivables	7,00,000

Additional Information:

- 1) Goodwill is valued at Rs.9,00,000.
- 2) Tangible assets are valued at Rs.20,00,000.
- 3) Inventory is valued at Rs.3,60,000.
- 4) All assets and liabilities are taken over.

Calculate the amount of purchase consideration.

(A, CO2)

(5 x 4 = 20)

SECTION C

Answer any 2 questions. Each question carries 10 marks.

14. The following is the Balance Sheet of Brown Ltd. as on 31.03.2024.

Particulars	₹
I. EQUITY AND LIABILITIES	
1) Shareholders' Funds	
a) Share Capital (12,000 shares @ ₹10)	1,20,000
b) Reserves and Surplus (Surplus account debit balance)	(1,000)
2) Non-current Liabilities	

a) Trade payables (Creditors)	30,000
b) Other Current liabilities (Bank overdraft)	28,000
Total	1,77,000
II. ASSETS	
1) Non-current Assets	
a) Fixed Assets	
i) Tangible Assets	
Land and Building	1,00,000
Plant and Machinery	40,000
2) Current Assets	
a) Stock	15,000
b) Trade Receivable (Debtors)	22,000
Total	1,77,000

The assets of the company are taken over by Black Ltd for a consideration of ₹ 1,50,000 payable as to ₹60,000 in cash (sufficient to discharge liabilities and liquidation expense ₹2,000) and ₹ 90,000 by allotment of 12,000 shares of ₹ 10 each of Black Ltd, ₹ 7.50 per share paid up to the shareholders of the Brown Ltd. Close the books of Brown Ltd and journalise the transactions in the books of Black Ltd.

(A,

CO1)

15. Mahaveer Ltd went in to liquidation on 31.12.2024. Prepare Liquidator's final statement of Account presented to the Tribunal by the liquidator from the following.

	₹
Unsecured creditors	3,00,000
Preferential creditors	20,000
10% debentures	4,00,000
8% preference share capital (shares of Rs.10 each)	6,00,000
Secured creditors (securities realised Rs. 2,40,000)	3,20,000
Liquidation expense	4,000
Equity share capital of Rs.10 each	8,00,000

Liquidator is entitled to get a remuneration of 2% on all assets realised including assets held as security and 3% on the amount paid to unsecured creditors including preferential creditors Sundry assets realised amounted to 10,00,000. (A, CO5)

16. Following is the balance sheet of Green Ltd as on the date of internal reconstruction scheme.

Balance Sheet

Particulars	Note No.	₹
I.EQUITY AND LIABILITIES		
I.Shareholders Fund:		
1.Share capital		
12% preference shares of 100 each		6,00,000
Equity shares of Rs 10 each		12,00,000
Liquidation expense		
Equity share capital of rs10 each		
2.Reserves and Surplus		
Surplus A/C (Negative balance)		(1,40,000)
Discount on shares		(2,10,000)
Preliminary Expenses		(1,90,000)
II. Share Application Money pending allotment		
III. Non-current liabilities		
Long term borrowings (13% Debentures)		2,00,000
IV. Current liabilities		
Trade payable(creditors)		8,50,000
Total		23,10,000
2.ASSETS		
I.Non-current Assets		
1.Tangible assets (Plant& Machinery)		5,00,000
2.Intangible assets (Goodwill)		4,00,000
II.Current Asset		

1.Inventories (Stock)		8,00,000
2.Trade Receivables (Debtors)		7,50,000
III.Cash&Cash and equivalentents		
Cash in Hand		10,000
Bank overdraft		(1,50,000)
Total		23,10,000

The company has got the following scheme of capital reduction approved by the court.

1. To reduce the paid-up value of preference shares by Rs 40 per share.
2. To reduce equity shares by Rs 6 per share.
3. Liability on debentures to be reduced by 30%.
4. Creditors agreed to reduce their claim by Rs 1,50,000
5. To write off goodwill and fictitious assets provide Rs 40,000 for bad and doubtful debts and utilize any balance of the scheme for writing down stock

Give entries and the new Balance Sheet.

(A,CO3)

(10 x 2 = 20)