



K18U 1539

Reg. No. :

Name :

V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.)
Examination, November 2018
(2014 Admn. Onwards)
Core Course
5B11 COM : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

I. Answer **all** questions (Each question carries $\frac{1}{2}$ mark) :

- 1) Profit on sale of fixed assets is a _____ profit.
- 2) Assets acquired in satisfaction of claims are known as _____
- 3) CRR represents _____
- 4) Unclaimed dividend is shown on the liabilities side of the Balance Sheet under the head _____ (4× $\frac{1}{2}$ =2)

PART – B

II. Answer **any four** questions from the following. Each question carries **one** mark.

- 5) What is purchase consideration ?
- 6) What is external Reconstruction ?
- 7) What do you mean by NPA ?
- 8) What is the difference between Insolvency and Liquidation ?
- 9) What are divisible profits ?
- 10) What are different types of dividend ? (4×1=4)

P.T.O.



PART – C

III. Answer **any 6** (not exceeding **one** page). Each question carries **three** marks.

11) What is amalgamation in the nature of merger ?

12) Write short notes on :

- a) Money at call and short notice
- b) Rebate on Bills of discounted
- c) Slip System.

13) X company incorporated on 1-4-2015 and acquired a business with effect from 1-1-2015. Total sales for the year 2015 was Rs. 7,20,000. Sales for January and February was $1\frac{1}{4}$ times the average sales. Sales from March to July was $\frac{2}{3}$ of the average sales. Sales for August and September was $\frac{1}{4}$ of the average monthly sales and sales for October and November was double the average monthly sales and the balance of sales in December. Calculate the sales ratio.

14) Find out the remuneration payable to the Liquidator with the help of the following information :

Cash realised from assets	:	Rs. 3,00,000
Preferential creditors	:	Rs. 10,000
Amount due to Unsecured Creditors	:	Rs. 4,00,000
Liquidator's remuneration	:	3% on assets realised and 2% on the amount distributed to unsecured creditors.

15) Liabilities and Assets of D Ltd. as on 31-3-2015 stood as under :

Liabilities	Amt.	Assets	Amt.
	(Rs. in Lakh)		(Rs. in Lakh)
Share Capital		Fixed asset	130
10% Preference shares		Investments	24
of Rs. 100 each	30	Current assets	20



Equity shares of Rs. 10 each	60	
General reserve	36	
12% Debentures	28	
Current Liabilities	20	
	174	174

P Ltd. signified their agreement to take over the assets and liabilities of D Ltd. as per the following terms and conditions :

- 1) Fixed assets at 90% of the book value
- 2) Investments at 10% above the par value
- 3) Current assets and liabilities at book value except stock in-trade at cost amounting to Rs. 10 lakh was agreed to be taken over at a discount of 20%.
- 4) 12% debentures are to be discharged at a premium of 15% by issuing 12% debentures of P Ltd.
- 5) Preference share holders are to be discharged at a premium of 15% by issuing 10% preference share of Rs. 100 each.
- 6) The equity shareholders in D Ltd. are to be issued 5 equity shares of Rs. 10 each in P Ltd. for every 3 shares held by them.

Calculate purchase consideration for the take over under net asset method.

16) On 31-3-2016 a bank held the following bills discounted by it earlier :

Date of bills 2016	Terms of bills (months)	Discounted @% p.a.	Amount of bills Rs.
1) January, 17	4	8.5	7,30,000
2) February, 7	3	9	14,60,000
3) March, 9	3	8.75	3,64,000

You are required to calculate the Rebate on Bills Discounted. Also show the necessary Journal Entry for the rebate.



- 17) The following particulars relate to a Limited Company which has gone into voluntary liquidation. You are required to prepare Liquidator's Final Statement of Account, allowing @2% on the amount realised on assets and 2% on the amount distributed among unsecured creditors other than preferential creditors.

	Rs.
Preferential creditors	10,000
Unsecured creditors	32,000
Debentures	10,000
The assets realised the following :	
Land and buildings	20,000
Plant and machinery	18,650
Fixtures and fittings	1,000

The Liquidation expenses amounted to Rs. 1,000.

- 18) On 1st April 2016 the opening balance of Rebate on bills discounted Account of a bank was Rs. 1,07,500. On 31st March 2017, the bank finds its Interest/Discount on Advances/Bills/Account shows a credit balance of Rs. 2,89,600 and no adjustment have been made in the account as yet. The bank has earned discount by discounting the bills. It is ascertained that the proportionate discount not yet earned on the bills discounted which will mature during the year 2017-18 amounted to Rs. 1,12,750.

Pass adjustment Journal Entries regarding rebate on bills discounted. Also show the following Ledger Accounts :

- 1) Rebate on Bills Discounted Account and
- 2) Interest/Discount on Advances/Bills Account.

(6×3=18)



PART – D

IV. Answer any two questions from the following. Each question carries eight marks.

19) Exe Ltd. is absorbed by Wye Ltd. given below are the Balance Sheets of two companies as on 31-3-2015 :

	Exe Ltd. (Rs.)	Wye Ltd. (Rs.)
Assets :		
Sundry assets	16,85,000	43,57,500
Cash in hand	<u>3,500</u>	<u>27,500</u>
	16,88,500	43,85,000
Liabilities :		
Authorised share capital		
9000 Equity shares of Rs. 150 each	<u>13,50,000</u>	
60,000 Equity shares of Rs. 75 each		<u>45,00,000</u>
Paid up share capital :		
9000 Equity shares – Rs. 135 paid-up	12,15,000	
40000 Equity shares – Rs. 75 paid-up		30,00,000
General Reserve	4,03,500	12,85,000
Profit and Loss Account	15,000	35,000
Sundry Creditors	<u>55,000</u>	<u>65,000</u>
	16,88,500	43,85,000

The holders of every three shares in Exe Limited was to receive five shares in Wye Ltd. Pass Journal Entries in the books of both the companies and the Balance Sheet of Wye Ltd. after absorption.



20) N Ltd. was incorporated on 1st July, 2016 with an authorized capital of 5,000 Equity shares of Rs. 10 each to take over the running business of R Ltd. as from 1st April 2016. Following is the summarized Statement of Profit and Loss for the year ended 31-3-2017 :

	Rs.	Rs.
Sales :		
1 st April 2016 to 30 th June 2016	6,000	
1 st July 2016 to 31 st March 2017	19,000	
	<hr/>	25,000
Cost of sales for the year	16,000	
Administrative expenses	1,768	
Selling commission	875	
Goodwill written off	200	
Interest paid to Vendors (Loan repaid on		
1 st August 2016)	373	
Distribution expenses (60% variable)	1,250	
Preliminary expenses written off	330	
Debenture interest	320	
Depreciation	444	
Directors' fees	100	
	<hr/>	<u>21,660</u>
Net profit		3,340

The company deals in one type of product. The unit cost of sales was reduced by 10% in the post incorporation period as compared to the pre-incorporation period in the year.

You are required to apportion the net profit amount between pre-incorporation and post incorporation period showing the basis of apportionment.



21) Shri Chopra is appointed Liquidator of Moon Company Limited in Voluntary Liquidation on 1st July 2016. Following balances are extracted from the books on that date :

Cr. Balance	Rs.	Dr. Balance	Rs.
Capital :		Machinery	45,000
24,000 shares of Rs. 5 each	1,20,000	Lease hold property	60,000
Reserve for bad debts	15,000	Stock-in-trade	1,500
Debentures	75,000	Book debts	90,000
Bank overdraft	27,000	Investments	9,000
Liabilities for purchases	30,000	Calls-in-arrear	7,500
		Cash in hand	1,500
		Surplus Account	
		(Negative Bal.)	52,500
	2,67,000		2,67,000

You are required to prepare a Statement of affairs to be submitted in the meeting of the Creditors.

Following assets are valued as under :

Lease hold properties Rs. 1,09,000; Machinery Rs. 90,000; Investment Rs. 6,000; Stock-in-trade Rs. 3,000.

Bad debts are Rs. 3,000 and the doubtful debts are Rs. 6,000 which are estimated to realise Rs. 3,000. The bank overdraft is secured by deposit of title deeds of leasehold properties. Preferential creditors are Rs. 1,500. Telephone rent outstanding is Rs. 120.

(2x8=16)

