



Reg. No. : .....

Name : .....

**V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.)**  
**Examination, November 2020**  
**(2014 Admn. Onwards)**  
**Core Course**  
**5B11COM : CORPORATE ACCOUNTING**

Time : 3 Hours

Max. Marks : 40

## PART – A

I. Answer **all** questions. **Each** carries  $\frac{1}{2}$  marks.

- 1) The total managerial remuneration payable by a company to its directors and managers in respect of any financial year shall not exceed
- 2) Profit prior to incorporation is \_\_\_\_\_ profit.
- 3) Under pooling of interest method all costs associated with the amalgamation are
- 4) Income from non-performing assets is not recognized on \_\_\_\_\_ basis. (4× $\frac{1}{2}$ =2)

## PART – B

II. Answer **any four** questions. **Each** carries **one** mark.

- 5) Write short note on unclaimed dividend.
- 6) What is certificate of commencement of business ?
- 7) What is purchase consideration ?
- 8) What is internal reconstruction ?
- 9) What is capital adequacy ratio ?
- 10) Who are contributories ? (4×1=4)

## PART – C

III. Answer **any six** questions (**not** exceeding **one** page). **Each** carries **three** marks.

- 11) State the accounting treatment of pre-incorporation profit or loss.
- 12) What are the characteristics of pooling of interest method ?



- 13) What is amalgamation in the nature of merger ?  
 14) What are the main characteristics of a bank's book keeping system ?  
 15) T Ltd. went into liquidation with the following liabilities :

Preferential creditors	Rs. 20,000
Unsecured creditors	Rs. 6,50,000
Liquidation expenses	Rs. 7,000

The liquidator is entitled for a remuneration of 6% on the asset realized and 2½ % on the amount distributed to unsecured creditors. The various assets realized are Rs. 7,25,000. Prepare liquidator's statement of account.

- 16) From the following information, calculate the ratio of sales. The accounts were made up to 31<sup>st</sup> December, 2017. The company was incorporated on 1<sup>st</sup> May, 2017 to take over a business from the preceding 1<sup>st</sup> January. Total sales for the year were Rs. 12,00,000. It is ascertained that the sales for November and December are one and half times the average of those for the year, whilst those for February and April are only half the average.
- 17) Following are the statements of interest on advances in respect of performing and non-performing assets of Madura Bank Ltd. Find out the income to be recognized for the year ended 31<sup>st</sup> March, 1999. (all figures in lakhs).

<b>Performing Assets</b>	<b>Interest earned</b>	<b>Interest received</b>
Cash credit and overdraft	1,800	1,060
Term loan	480	320
Bills purchased and discounted	700	550
<b>Non-performing Assets</b>		
Cash credit and overdraft	450	70
Term loan	300	40
Bills purchased and discounted	350	36

- 18) A company resolved the following :
- To reduce its 50,000, 12 % preference shares of ₹ 10 each to an equal number of 14 % preference shares of ₹ 8 each.
  - To reduce 60,000 equity shares of ₹ 10 each to an equal number of shares of ₹ 5 each.
  - To reduce 12.5 % debentures of ₹ 5,00,000 to 15 % debentures of ₹ 4,00,000.
  - To write off goodwill ₹ 1,00,000, plant ₹ 1,00,000, machinery ₹ 1,20,000, stock ₹ 50,000 and profit and loss account debit balance ₹ 1,00,000.

Give journal entries.

(6×3=18)

## PART – D

IV. Answer **any two** questions. **Each** carries **eight** marks.

19) What is meant by liquidation of a company ? Describe the different modes of winding up.

20) Given below are the Balance Sheets of X Ltd. and Y Ltd. as at 31-3-2015 at which date Y Ltd. was absorbed by X Ltd.

Particulars	Note No.	X Ltd.	Y Ltd.
<b>I. Equity and Liabilities</b>			
1) Shareholders Fund			
a. Share Capital	1	5,00,000	10,00,000
b. Reserves and Surplus	2	24,86,000	5,25,000
2) Non-current Liabilities			
a. Long term borrowings			
12 % Debentures of ₹ 100 each		2,00,000	1,00,000
3) Current Liabilities			
a. Trade Payables	3	1,60,000	45,000
<b>Total</b>		<b>33,46,000</b>	<b>16,70,000</b>

**II. Assets**

1) Non-current Assets			
a. Fixed Assets			
Tangible Assets		20,00,000	8,00,000
b. Non-current Investments		3,45,000	5,20,000
2) Current Assets			
a. Inventories		5,00,000	1,00,000
b. Trade receivable	4	4,25,000	1,10,000
c. Cash equivalents		76,000	1,40,000
<b>Total</b>		<b>33,46,000</b>	<b>16,70,000</b>

**Notes to Accounts :**

	X Ltd.	Y Ltd.
1) Share Capital		
Issued, subscribed and paid up equity shares of Rs. 10 each	5,00,000	10,00,000
	<b>5,00,000</b>	<b>10,00,000</b>
2) Reserves and Surplus		
Profit and Loss account	24,86,000	5,25,000
	<b>24,86,000</b>	<b>5,25,000</b>





3) Trade payable	1,15,000	10,000
Trade payable	45,000	35,000
Bills payable	<b>1,60,000</b>	<b>45,000</b>
4) Trade receivable	4,00,000	75,000
Trade receivable	25,000	35,000
Bills receivable	<b>4,25,000</b>	<b>1,10,000</b>

Investments of X Ltd. and Y Ltd. are considered worth ₹ 3,59,000 and ₹ 4,95,000 respectively. Purchase consideration is to be discharged by the issue of equity shares of Rs. 10 each at a premium of Rs. 50 per share.

Pass journal entries in the books of X Ltd. and Y Ltd. and prepare the Balance Sheet after absorption.

- 21) From the following information, you are required to prepare Profit and Loss Account of Zee Bank Ltd. for the year ending 31<sup>st</sup> March, 2019.

	₹
Interest and Discount	44,00,000
Other Income	1,25,000
Income on Investments	5,000
Interest Expended	13,60,000
Operating Expenses	13,31,000
Interest on Balance with RBI	25,000
<b>Additional information :</b>	
a) Rebate on bills discounted to be provided for	15,000
b) Classification of advances :	
Standard assets	25,00,000
Sub-standard assets	5,60,000
Doubtful assets not covered by security	2,55,000
Doubtful assets covered by security	
for 1 year	25,000
for 2 years	50,000
for 3 years	1,00,000
for 4 years	75,000
Loss assets	1,00,000
c) Make tax provision @ 35%	40,000
d) Profit and Loss Account (Cr.)	<b>(2×8=16)</b>