



K17U 0670

Reg. No. : .....

Name : .....

IV Semester B.B.A. Degree (CBCSS – Reg./Supple./Imp.)

Examination, May 2017

(2014 Admn. Onwards)

Core Course

4B08 BBA : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

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

1. What do you mean by scrip dividend ?
2. What is the value obtained by dividing net assets available to equity shareholders by the no. of equity shares ?
3. What is interim dividend ?
4. What is reserve capital ? (4× $\frac{1}{2}$ =2)

PART – B

Answer **any four** questions. **Each** question carries 1 mark.

5. What is net payment method ?
6. What is alteration of capital ?
7. What is surrender of shares ?
8. What is TDS ?
9. What is consolidation of share capital ?
10. What is meant by absorption of company ? (4×1=4)

P.T.O



## PART – C

Answer **any six** questions. **Each** question carries **3** marks.

11. State the procedures to be followed for the reduction of share capital.
  12. Give Journal Entries for the following transactions in connection with internal reconstruction.
    - 1) 10,000 equity shares of Rs. 10 fully paid reduced to shares of Rs. 5 each fully paid.
    - 2) 100, 8% debentures of 1000 each converted into 500, 6% debentures of 100 each.
    - 3) The debit balance of P and L Account Rs. 50,000 and the preliminary expenses Rs. 10,000 were written off.
    - 4) Value of plant and machinery and stock written down by Rs. 20,000 and Rs. 10,000 respectively.
  13. Give an imaginary form of P and L Appropriation Account of a limited company.
  14. How can secret reserve be created ?
  15. Distinguish between amalgamation and external reconstruction.
  16. What are the advantages of amalgamation ?
  17. What is internal reconstruction ? How it is done ?
  18. A company has equity share capital of Rs. 10,00,000 consisting 10000 shares of Rs. 100.
    - a) It is resolved to sub divide the shares into shares of Rs. 10 each.
    - b) To ask the shareholders to surrender 50% of their shares.
    - c) To issue 60% of the surrendered shares to 15% debenture holders of Rs. 4,00,000 in full settlement of their claims.
    - d) To cancel the unissued surrendered shares.
- Give entries in the books of the Company. (6×3=18)



PART – D

Answer **any two** questions. **Each** question carries **8** marks.

- 19. Differentiate between amalgamation in the nature of merger and amalgamation in the nature of purchase.
- 20. The following is the Trial Balance of S Ltd. as on 31<sup>st</sup> Dec. 2014.

	Rs.	Rs.
Debtors and Creditors	2,50,000	2,00,000
Purchases and Sales	6,47,000	9,83,500
Returns	4,700	3,500
Fixed asset at cost	15,97,900	–
Promotion expenses	13,520	–
Share capital (Rs. 100 shares)	–	12,50,000
Sinking Fund	–	2,50,000
Reserve Fund	–	47,600
Bad debts reserve	–	10,000
Cash	17,750	–
Manufacturing expenses	21,000	–
Wages	75,000	–
Unclaimed dividends	–	1,700
Interest on investments	–	11,400
Depreciation	70,000	–
Administrative expenses	34,680	–
4% Debentures	–	3,00,000
Interest on debentures	6,000	–
Sales expenses	8,000	–
Bad debts	3,400	–





Depreciation Fund	—	2,02,400
Bills Payable	—	9,300
P and L A/c	—	10,600
Investments	3,50,000	—
Sundry expenses	1,050	—
Stock on 1 <sup>st</sup> Jan.	1,30,000	—
Goodwill at cost	50,000	—
	<b>32,80,000</b>	<b>32,80,000</b>

**Adjustments :**

- a) Closing Stock amounted to Rs. 1,37,000.
- b) Maintain the reserve for debtors at 5%.
- c) Write off preliminary expenses.
- d) Add Rs. 10,000 to Sinking Fund.
- e) Provide for debenture interest.

Prepare the Trading and Profit and Loss Account and the Balance Sheet.

21. The Balance Sheet of A Ltd. as on Dec. 31<sup>st</sup> 2014 was as follows :

Liabilities	Rs.	Assets	Rs.
Share capital		Fixed Assets	90,000
100000 shares		Current Assets	10,000
of Re. 1 each	1,00,000	P and L A/c	20,000
Sundry liabilities	20,000		
	<b>1,20,000</b>		<b>1,20,000</b>

B Ltd. absorbed the A Ltd. and took over all the assets for Rs. 72,000 payable Rs. 50,000 in shares of Re. 1 each and Rs. 22,000 in cash (in order to enable A Ltd. to pay off its liabilities and cost of winding up).

Prepare Realisation A/c, Shareholders A/c and Cash A/c in the books of A Ltd.

(2×8=16)