

D 92879

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Name.....

Reg. No.....

**THIRD SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2020**

B.Com.

BCM 3B 04—CORPORATE ACCOUNTING

Time : Two Hours and a Half

Maximum : 80 Marks

Section A

Answer at least ten questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 30.

1. Mention three methods for redemption of debentures.
2. What is Buy-Back Of Shares ?
3. State the advantages of buy- back of shares.
4. What do you mean by redemption of debentures ?
5. What are the Circumstances for Issuing Bonus Share ?
6. State the Advantages of Issuing Bonus Shares to the shareholders.
7. What is right shares ?
8. State the Advantages of Right Issue to companies.
9. What do you mean by redemption of preference share.
10. Mention the methods for redemption of preference share capital.
11. What is Slip System of Posting ?
12. What is Life Fund ?
13. What is Reversionary Bonus ?
14. What is EPS ?
15. What do you mean by parent company ?

(10 × 3 = 30 marks)

Turn over

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. Sun Ltd had 8,000, 8% redeemable preference shares of Rs. 25 each, Rs. 20 called up. The company decided to redeem the preference shares at 5% premium by the issue of sufficient number of equity shares of Rs.10 each fully paid up at a premium of 10%. Pass journal entries relating to redemption.
17. Mention the conditions to be fulfilled for redeeming preference shares.
18. Moon Ltd 10%, 5000 debentures of Rs. 100 each, redeemable at 5% premium. The company issued 40,000 equity shares of Rs.10 each at 10% premium and 1,000, 9% debentures of Rs. 100 each at par for the purpose of redemption. Pass journal entries.
19. A company purchased Rs. 30,000, 6% Debentures of its own of Rs. 100 each at Rs. 95 each for investment. After six months the debentures were cancelled. Show Journal entries.
20. State the Funds or Sources for Bonus Issue.
21. Calculate Rebate on Bills Discounted as on 31st March, 2017 :

| Date of Bill | Amount | Period of Bill | Rate of Discount |
|--------------|--------|----------------|------------------|
| 20-01-2017 | 40,000 | 5 months | 16% |
| 10-02-2017 | 20,000 | 4 months | 18% |
| 15-03-2017 | 30,000 | 2 months | 15% |

22. The revenue account of LIC showed a Life fund of Rs. 20 lakhs and the Balance Sheet total of Rs. 45 lakhs on 31-3-2017 before taking the following into consideration :
 - a) A claim of Rs. 10,000 was intimated and admitted but not paid during the year.
 - b) A claim of Rs. 6,000 outstanding in the books for 8 years is written back.
 - c) Interest on securities accrued Rs. 800 but not received during the year.
 - d) Rent on own building occupied Rs. 2,000.

Pass necessary journal entries for the above omission and recompute the fund.

23. Net profit for the year 2010 is Rs. 18 lacs. Net profit for the year 2011 is Rs. 60 lacs. Number of equity shares outstanding till 30-09-2010 is 20 lacs. Bonus issue on 01-10-2011 = 2 (new) : 1 (old). Calculate EPS for the year 2011 and adjusted EPS for the year 2010.

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

24. The Life Fund of Life Assurance Company was Rs. 86,48,000 as on March 31, 2017. The interim bonus paid during the inter-valuation period was Rs. 1,48,000. The periodical actuarial valuation determined the net liability at Rs.74,25,000. Surplus brought forward from the previous valuation was Rs. 8,50,000. The Directors of the company proposed to carry forward Rs. 9,31,000 and to divide the balance between the shareholders and the policyholders in the ratio of 1 : 10.

Show (a) The Valuation Balance Sheet ; and (b) The distribution of Surplus.

25. Following are the balances of a Commercial Bank as on 31-3-2018 :

| <i>Particulars</i> | <i>Rs. '000s</i> | <i>Particulars</i> | <i>Rs.'000s</i> |
|------------------------------|------------------|-----------------------|-----------------|
| 50,000 shares of Rs. 50 each | 2,50,000 | Salaries | 28,500 |
| General Reserve | 1,50,000 | General Expenses | 27,500 |
| Loans and Advances | 31,40,000 | Rent Paid | 2,300 |
| Premises | 1,77,500 | Directors fee | 1,800 |
| Government Securities | 9,10,000 | Bills Discounted | 30,000 |
| Current Deposits | 11,82,000 | P/L Account | 12,500 |
| Savings Deposits | 20,00,000 | Miscellaneous Income | 100 |
| Fixed Deposits | 10,00,000 | Interim Dividend Paid | 10000 |
| Cash in Hand | 3,05,000 | | |
| Interest, Discount etc. | 1,00,000 | | |
| Money at Call | 62,000 | | |

Adjustments :

1. Provide for bad and doubtful debts Rs. 1,000.
2. Rebate on bills discounted Rs. 600.
3. Interest accrued on investment Rs. 6,100.

Prepare Profit and Loss Account for the year ending 31-3-2018 and Balance Sheet as on that date.

Turn over

26. Write down the entries for redemption of debentures under sinking fund method.
27. The following are the liabilities and assets of the holding company H Ltd. and its subsidiary S Ltd. as on 31st December 2014 :

| <i>Liabilities</i> | H Ltd. Rs. | S Ltd. Rs. | <i>Assets</i> | H Ltd. Rs. | S Ltd. Rs. |
|-------------------------|------------|------------|------------------|------------|------------|
| Share Capital : | | | Sundry Assets | 2,60,000 | 2,40,000 |
| Shares of Rs. 10 each | 4,00,000 | 2,00,000 | Investments : | | |
| Profit and Loss Account | 80,000 | 20,000 | 20,000 shares in | 3,00,000 | |
| General Reserve | 40,000 | 16,000 | S Ltd. | | |
| Current Liabilities | 40,000 | 4,000 | | | |
| | 5,60,000 | 2,40,000 | | 5,60,000 | 2,40,000 |

H Ltd. acquired the shares of S Ltd. on 31st December 2014. Prepare the Consolidated Balance Sheet.

(2 × 10 = 20 marks)