

**K24U 0824**

Reg. No. :

Reg. No. :

Name :

Name :

IV Semester B.Com. Degree (C.B.C.S.S. – O.B.E. – Regular/Supplementary/Improvement) Examination, April 2024
(2019 to 2022 Admissions)
Core Course
4B05COM : CORPORATE ACCOUNTING

Time : 3 Hours

Time : 3 Hours Max. Marks : 40

PART – A**PART – A**Answer **any six** questions from the following. **Each** question carries **one** mark.

1. What is calls in arrear?
2. Define Debentures.
3. What is IAS?
4. What is liquidation?
5. Define IFRS.
6. Define amalgamation.
7. What is forfeiture of shares?
8. What is incorporation of a company?

PART – B**PART – B**Answer **any six** questions from the following. **Each** question carries **3** marks.

9. What are the different methods of winding up of companies? Explain.
10. Differentiate between IFRS and Ind AS.
11. Explain different methods of calculating purchase consideration in amalgamation.
12. Differentiate between calls in arrears and calls in advance.

P.T.O.



13. B Ltd. had 3,000, 9% preference shares of Rs. 200 each fully paid up. The company decided to redeem these preference shares at par, by issue of sufficient number of ordinary shares of ₹ 25 each at a premium of Rs. 2 per share as fully paid. Write journal entries in the books of the company.

14. AB Ltd. is absorbed by PK Ltd., the consideration being the takeover of liabilities; the payment of cost of absorption not exceeding Rs. 20,000 (actual cost ₹ 17,000); the payment of the debentures of Rs. 1,00,000 at a premium of 10% in 9% debentures issued at par; and the payment of Rs. 16 per share in cash and allotment of one 14% preference share of Rs. 10 each and six equity shares of Rs. 10 each fully paid for every four shares in AB Ltd. The number of shares of the vendor company are 2,00,000 of Rs. 10 each fully paid.

Calculate purchase consideration as per Accounting Standard-14.

15. Beautiful Co. Ltd. issued 3,000 equity shares of Rs. 10 each payable as Rs. 3 per share on Application, Rs. 5 per share (including Rs. 2 as premium) on Allotment and Rs. 4 per share on Call. All the shares were subscribed. Money due on all shares was fully received except Mr. Ram, holding 50 shares, failed to pay the Allotment and Call money and Mr. Shyam, holding 100 shares, failed to pay the Call money. All those 150 shares were forfeited. Of the shares forfeited, 125 shares (including whole of Ram's share) were subsequently re-issued to Mr. Jadu as fully paid up at a discount of Rs. 2 per share.

Pass the necessary entries in the Journal of the company to record the forfeiture and reissue of share.

16. A firm which was carrying on business from 1st January, 2016 gets itself incorporated as a company on 1st May, 2016. The first accounts are drawn up to 30th September, 2016. The gross profit for the period is Rs. 56,000. The expenses are Rs. 14,220; directors' fees Rs. 12,000 p.a.; formation expenses, Rs. 1,500. Rent up to 30th June is Rs. 1,200 p.a., after which it is increased to Rs. 3,000 per annum. Salary of the manager, who upon incorporation of the company was made a director, is Rs. 6,000 p.a. His remuneration thereafter is included in the above figure of fees to directors.

Give Profit and Loss Account showing pre-incorporation and post-incorporation profits. The net sales are Rs. 8,20,000, the monthly average of which for the first four months of 2016 is one half of that of the remaining period. The company earned a uniform profit. Interest and tax may be ignored. (6×3=18)



PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. What is IASB ? What are the functions of IASB ? Explain.

18. A Company went into liquidation with the following details :

Assets realized Rs. 70,000; liquidation expenses Rs. 12,600, creditors (including salaries of staff Rs. 8,400) Rs. 95,200 : Share Capital consists of 7,000, 6% preference shares of Rs. 30 each (one year dividends are in arrears) Rs. 2,10,000; 14,000 equity shares of Rs. 10 each, Rs. 9 called up and paid up Rs. 1,26,000: Commission is 3% on assets realized and 2% on amount paid to shareholders. Under the articles, arrears of preference dividend are payable and preference shareholders have the right to receive one third of the surplus remaining after repaying the equity capital. Show Liquidator's Final Statement of Account.

19. The paid-up capital of S Ltd., amounted to Rs. 5,00,000, consisting of 50,000 equity shares of 10 each. Due to losses incurred by the company continuously, the directors of the company prepared a scheme of reconstruction which was duly approved by the Tribunal.

The terms of reconstruction were as under :

I) In lieu of their present holdings, the shareholders are to receive :

Fully paid equity shares equal to $\frac{2}{5}$ th of their present holding.

12% preference shares fully paid-up, to the extent of 25% of the above new equity shares.

5,000, 11% second debentures of 10 each.

II) An issue of 5,000, 10% first debentures of Rs. 10 each was made and allotted; payment for the same being received in cash forthwith.

III) The assets were reduced as follows :

Goodwill from Rs. 3,00,000 to Rs. 1,50,000;

Machinery from Rs. 1,00,000 to Rs. 75,000; and

Leasehold premises from Rs. 1,50,000 to Rs. 1,25,000.

Pass journal entries to give effect to the above mentioned scheme of reconstruction and show Capital Reorganization Account.

(2×8=16)



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**IV Semester B.Com. Degree (CBCSS – OBE-Regular/Supplementary/
Improvement) Examination, April 2023
(2019 Admission Onwards)**

Core Course

4B 05 COM : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries **1** mark.

1. What are current assets ?
2. What is proposed dividend ?
3. What is Capital Reduction Scheme ?
4. What do you mean by provision ?
5. What do you mean by external reconstruction ?
6. Explain the concept consolidation of shares.
7. Explain securities premium.
8. Explain the term preferential creditors.

(6×1=6)

PART – B

Answer **any six** questions from the following. **Each** question carries **3** marks.

9. What is net payment method of purchase consideration ?
10. What do you mean by contributory ? Describe the various types of contributories.

P.T.O.



11. X acquired the business of Y Ltd. for which X Ltd. pays Rs. 4,00,000 in equity shares of Rs. 10 each, Rs. 3,00,000 in 15% debentures of X Ltd. and Rs. 3,50,000 in cash. Creditors for Rs. 1,50,000 and employees' security deposit Rs. 30,000 are also assumed by X Ltd. Calculate Purchase Consideration.

12. What are the features of IFRS ?

13. What is profit prior to incorporation ?

14. Explain the concept over subscription of shares.

15. Define Accounting Standard. Explain its objectives.

16. Write the accounting entries in the books of purchasing company in the case of amalgamation.

(6×3=18)

PART - C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. What do you mean by liquidation of a company ? Describe the different modes of winding up.

18. Prepare new format of statement profit and loss of a company.

19. The AB Company Ltd. and BC Company Ltd. decided to amalgamate and a new company ABC Company Ltd. is formed to take over both the companies as on 31st March 2022.

Liabilities	AB Co.	BC Co.	Assets	AB Co.	BC Co.
Equity shares of			Goodwill	10,00,000	8,00,000
Rs. 10 each fully paid	50,00,000	30,00,000	Land and		
Bank overdraft	-	5,00,000	Buildings	25,00,000	19,00,000
Sundry creditors	10,00,000	12,00,000	Plant and		
Bills payable	5,00,000	3,00,000	Machinery	20,00,000	25,50,000

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Reserve fund	22,00,000	15,00,000	Patents	—	5,25,000
Dividend			Stock	20,00,000	15,00,000
Equalisation fund	—	10,00,000	Sundry debtors	10,00,000	5,00,000
Profit and Loss			Bills Receivable	—	2,25,000
Account	3,00,000	5,00,000	Cash at Bank	5,00,000	—
	90,00,000	80,00,000		90,00,000	80,00,000

The following is the accepted scheme of valuation of business of the two companies :
AB Ltd. :

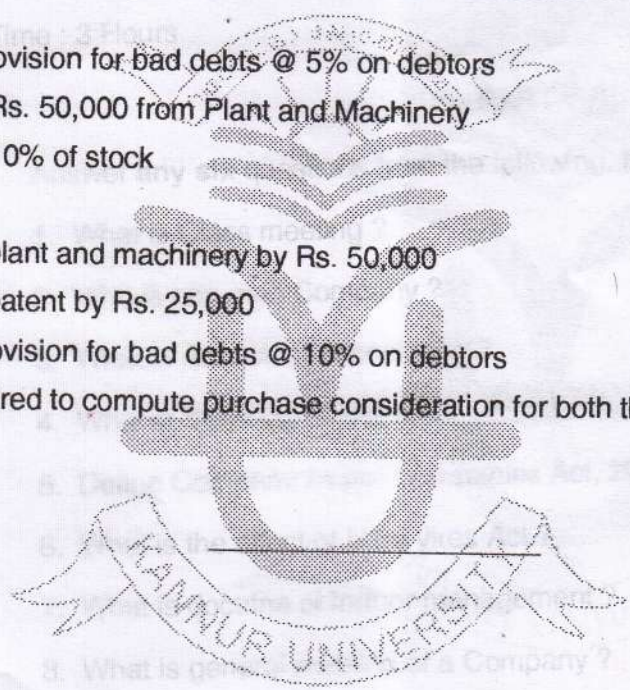
- Create provision for bad debts @ 5% on debtors
- Write-off Rs. 50,000 from Plant and Machinery
- Write-off 10% of stock

BC Ltd. :

- Write-off plant and machinery by Rs. 50,000
- Write-off patent by Rs. 25,000
- Create provision for bad debts @ 10% on debtors

You are required to compute purchase consideration for both the companies.

(2x8=16)



PART - B

Answer any six questions from the following. Each question carries 3 marks.

- Explain the different types of Resolution.
- Who are first Director of a Company?
- Explain different kinds of meeting of members of Company.

P.T.O.



K22U 1503

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**IV Semester B.Com. Degree CBCSS (OBE) Regular/Supplementary/
Improvement Examination, April 2022
(2019 Admission Onwards)
Core Course
4B05COM – CORPORATE ACCOUNTING**

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries **1** mark.

1. What is Pro-rata Allotment ?
2. What is Corporate Dividend Tax ?
3. Write the Journal entry for Re-issue of Surrendered shares.
4. What do you mean by Forfeiture of shares ?
5. Who are Dissenting Shareholders ?
6. Write the Journal entry for recording agreed Purchase Consideration in the books of Vendor Company.
7. What do you mean by liquidator's Final Statement of Account ?
8. What is FASB ?

(6×1=6)

PART – B

Answer **any six** questions from the following. **Each** one carries **3** marks.

9. Explain various methods of calculating Purchase Consideration.
10. Star Ltd. took over the running business of Moon Ltd. with effect from 1st April 2019. The company was incorporated on 1st August 2019. The accounts are closed on 31st March 2020. Calculate Time Ratio.
11. How Profit prior to Incorporation is utilised ?
12. Geetha Ltd. Forfeits 600 shares of Rs. 10 each issued at par held by Kumar on non-payment of final calls of Rs. 2 per share. Give entry on forfeiture of the shares.

P.T.O.



13. Give a specimen of Liquidator's final statement of accounts.
14. What are the methods of Internal Reconstruction ?
15. Q Ltd. issued 20,000, 8% Debentures of Rs. 100 each at par on which the amount is receivable in lump-sum. Application is received for 22,000 debentures. Give journal entries .
16. What do you mean by Fraudulent Preference ? (6×3=18)

PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. Prepare format of statement of Balance Sheet as per Schedule VI of Companies Act. Give explanation on each item in the Balance Sheet.
18. A Ltd. issued 5000 equity shares of Rs. 10 each payable as Rs. 2 on application, Rs. 3 on allotment and balance on first call. Application were received for 6000 shares. Directors of the company allotted them as under.
 - a) To applicants for 4000 shares : 4000 shares
 - b) To applicants for 1500 shares : 1000 shares
 - c) To applicants for 500 shares : Nil.

Application, allotment and call moneys were duly received except the first call money on 200 shares. Pass necessary Journal Entries.

19. Prepare Realisation Account from the following information
Statement of assets and liabilities of X Ltd. as on March 2019

Liabilities	Amount	Assets	Amount
10,000 shares of Rs. 10 each fully paid up	1,00,000	Machinery	50,000
		Land and building	20,000
		Stock	5,000
		Sundry Debtors	20,000
		Preliminary expense	5,000
	1,00,000		1,00,000

The company went into voluntary liquidation and the assets were sold to Y Ltd. for Rs. 1,50,000 and the winding up expenses amounted to Rs. 2,000. (2×8=16)



K21U 1067

Reg. No. :

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**IV Semester B.Com. Degree CBCSS (OBE) Regular
Examination, April 2021
(2019 Admission Only)**

Core Course

4B 05 COM : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries **1** mark.

1. Who is a Contributory ?
2. What is External Reconstruction ?
3. What do you mean by Profit prior to incorporation ?
4. What is Calls in Arrears ?
5. What is IFRS ?
6. What do you mean by Purchase Consideration ?
7. Write any two sources of redemption of preference shares.
8. Who is Liquidator ? **(6×1=6)**

PART – B

Answer **any six** questions from the following. **Each** carries **3** marks.

9. X Ltd. acquires the business of Y Ltd. for which X Ltd. pays Rs. 5,00,000 in equity shares of 10 each, Rs. 2,50,000 in 12% Debentures of X Ltd. And Rs. 3,00,000 in cash. Creditors for Rs. 50,000/- and Employees Security deposit Rs. 20,000 are also assumed by X Ltd. Calculate Purchase Consideration under Net payment method.
10. What is weighted Time ratio and how it is calculated ?
11. What do you mean by Amalgamation, explain its types ?

P.T.O.



12. Write down the differences between INDAS and IFRS.
13. A liquidator is entitled to receive remuneration @ 4% on the amount paid to unsecured creditors. The amount due to unsecured creditors is 5, 00,000 and the amount available for unsecured creditors before charging such commission on amount paid to unsecured creditors is Rs. 2,08,000. Calculate commission.
14. How Securities Premium account can be utilised ?
15. Mention some objectives of financial statements.
16. A Company has equity share capital of Rs. 20,00,000 consisting of 20,000 shares of 100 each.
 - i) It is resolved to sub divide the shares into shares of 10 each.
 - ii) Shareholders are asked to surrender their 50% shares
 - iii) To issue 60% of the surrendered shares to 15% debenture holders of Rs. 8,00,000 in full settlement of their claims.

Give journal entries.

(6×3=18)

PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. K Ltd. was incorporated on 1st April 2019 to acquire the business of M Ltd. with effect from 1st January 2019. The total sales for the year ended on 31st December 2019 amounted to Rs. 3,00,000- of which Rs. 1,00,000 related to first three months. The statement of profit and loss of the company for the year ending 21st December 2019 stood as follows.

Statement of profit and loss	
Particulars	Amount
Revenue from operations (Gross Profit)	60,000
Employee benefit expense ;	
Salaries	10,000
Finance costs ;	
Debenture interest	1,000
Bank charges	1,000



Other Expenses	
Carriages	6,000
Discount	3,000
Directors fees	4,200
Bad debts	1,500
Audit Fees	3,800
Repairs	1,000
Miscellaneous expenses	4,000
Total expenses	35,500
Profit	24,500

You are required to prepare a statement showing profits for pre-incorporation and post incorporation periods.

18. Prepare format of statement of Profit & Loss account as per Schedule VI of Companies Act.
19. The Abstract of the Balance Sheet of the ABC Ltd. as at 31st December 2019 are as follows :

Liabilities – Equity share capital (20000 shares of 100 each) – 20,00,000;
12% Preference share capital (8000 shares of 100 each) – 8,00,000,
8% Debentures – Rs.4,00,000.

On 31st December 2019, XYZ Ltd. agreed to take over ABC Ltd. on the following terms :

- 1) For each preference shares in ABC Ltd. Rs.10 in cash and one 9% preference share of Rs.100 in XYZ Ltd.
- 2) For each equity share of ABC Ltd. Rs. 20 in cash and one equity share in XYZ Ltd. for Rs.100 each. It was decided that the share of XYZ Ltd. will be issued at market price Rs.140 per share.
- 3) Liquidation expenses of ABC Ltd. are to be reimbursed by XYZ Ltd. to the extent of Rs.10,000. You are required to compute the amount of purchase consideration.

(2×8=16)