

THIRD SEMESTER B.Com DEGREE EXAMINATION, NOVEMBER 2022
(Supplementary 2017 Admission)

FINANCE & C.A.

CBCM3B04T: CORPORATE ACCOUNTING

Time: 3 Hours

Maximum Marks: 80

SECTION A: Answer all the questions. Each carries 1 mark.

Choose the correct answer.

1. Profit on redemption of debentures is transferred to which account -----
 A) capital reserve account B) general reserve account
 C) sinking fund account D) profit & loss account
2. For identifying the group profit for the current year at which of the following points is the profit relating to non-controlling interest removed.
 A) After identifying the operating profit B) After identifying the gross profit
 C) After identifying the net profit before tax D) After identifying the profit after tax
3. An asset becomes non-performing, when it ----- generate income for bank.
 A) starts to B) ceases to C) computerised D) easy to
4. A valuation balance sheet is prepared by -----
 A) banking companies B) trading companies
 C) manufacturing companies D) life insurance companies
5. The profit and loss account under double account system is termed as -----
 A) revenue account B) income & expenditure account
 C) receipt & payment account D) profit & loss account

Fill in the Blanks.

6. IAS 20 deals with -----
7. Right shares are issued to ----- shareholders.
8. Profit on cancellation of own debentures is a ----- profit.
9. Profit earned after the date of acquisition is known as -----.
10. A company holding majority shares in another company is called -----.

(10 x 1 = 10 Marks)

(P.T.O)

SECTION B: Answer any *Eight* questions. Each carries 2 marks.

11. Explain IndAS102.
12. What is acquisition?
13. Write a short note on buyback of shares.
14. What is capital redemption reserve account?
15. Comment on direct holding.
16. Explain bargain purchase.
17. What is pre-acquisition profits?
18. Explain the term intra group dividend.
19. Give an account on reinsurance.
20. What is double account system?

(8 x 2 = 16 Marks)

SECTION C: Answer any *Six* questions. Each carries 4 marks.

21. A Ltd. had Rs. 10,00,000 authorised capital on 31/12/2020 divided into shares of Rs. 100 each out of which 8000 shares were issued and fully paid up. In June 2021, the company decided to convert the issued shares into stock. But in June 2022 the company converted stock in to shares of Rs. 10 each fully paid up. Pass journal entries.
22. B Ltd. had issued 50,000 debentures of Rs. 100 each redeemable at par. The company purchased 5000 debentures from the open market for immediate cancellation at Rs. 95 each just after the due date of debenture interest. Pass journal entries for purchase of own debentures for immediate cancellation.
23. PQ Ltd. acquires 100% shares of RS Ltd. which has 45000 shares of Rs. 15 each at a market price of Rs. 20 each. The assets and liabilities of RS Ltd. are 6,00,000 and 3,00,000 respectively. Calculate the amount of goodwill.
24. ALS bank Ltd. having the following advances as on 31st March 2022 .Calculate total provisions to be made against them:

	Bills Purchased and Discounted	Cash credit, overdraft	Term loans
i) Standard Assets	5,150	4,925	2,375
ii) Sub-standard Assets	4,000	1,500	1,000
iii) Doubtful Assets:			
Up to one year -	--	500	1,800
One to 3 years -	--	1,800	700
More than 3 years -	--	1,275	550
iv) Loss Assets		350	225
	9150	10,350	650

25. Discuss the accounting procedure on redemption of preference shares.
26. Explain the following terms:
- 1) Non-banking assets
 - 2) Doubtful assets and loss assets
 - 3) Rebate on bills discounted
 - 4) Bills for collection.
27. Explain contingency reserves in the case of electricity companies.
28. What are the advantages of double account system?

(6 x 4 = 24 Marks)

SECTION D: Answer any Two questions. Each carries 15 marks.

29. Explain the need and importance of consolidated financial statements. Briefly explain calculation procedure of non-controlling interest with a suitable example.
30. The following balances appeared in the books of Axis Bank Ltd. as on March 31, 2022

Particulars	Amounts	Particulars	Amounts
Share capital (20,000 shares of 100 each)	20,00,000	Borrowing in India:	
Reserve fund	5,00,000	other banks	8,00,000
Local bills discounted	6,00,000	Bills payable	1,00,000
Overdraft	10,00,000	Unclaimed dividend	2,50,000
Cash credit	5,00,000	Cash in hand	3,60,000
Term loan	4,00,000	Cash with bank in India	7,40,000
Investment in shares	5,60,000	Stationery & stamps	1,40,000
Demand deposit:		Building	15,00,000
From banks	10,00,000	Furniture & fixture	2,00,000
From others	5,00,000	P&L A/c credit balance	2,50,000.
Term Deposit:		(Current year Profit	
Banks	3,20,000	2,00,000)	
Others	2,80,000		

Make Statutory Reserve @25%.

Prepare Balance Sheet as per banking law.

(P.T.O)

31. Following balances are extracted from the books of Bhaba Assurance Company as on 31st March, 2022.

Particulars	Amounts Rs. in 000	Particulars	Amounts
Life fund on 1st April, 2021.	15,70,562	Annuities due but not paid.	22,380
Claims by death.	1,16,980	Capital paid up.	6,00,000
Claims by maturity.	96,420	Govt. Securities.	16,90,890
Premium.	2,70,572	Sundry Assets.	5,68,110
Management expenses.	29,890	Claims covered under	
Commission.	36,541	reinsurance.	10,000
Consideration for annuities		Further claims intimated.	8,000
granted.	10,620	Further bonus utilised in	
Interest, dividend and rent.	52,461	reduction of premiums.	1,500
Income tax on profit.	3,060	Interest accrued.	15,400
Surrenders.	21,768	Premiums outstanding.	7,400
Annuities.	29,420		
Bonus paid in reduction of			
premium.	3,500		
Preliminary expenses.	600		
Claims admitted but not paid			
at the end of the year.	80,034		

Prepare a Revenue Account and the Balance Sheet.

(2 x 15 = 30 Marks)