

THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2022**(Regular/Improvement/Supplementary)****B.Com Professional****GBCP3B09T: CORPORATE ACCOUNTING****Time: 3 Hours****Maximum Marks: 80****PART A: Answer all the questions. Each carries 1 mark.****Choose the correct answer.**

1. Capital Account in double account system contains:

A) All assets and liabilities

B) Long term assets and Long-term Liabilities

C) Revenue expenses and incomes

D) Appropriation of profits

2. Ind AS 103 deals with.....

A) Business amalgamations

B) Business merger

C) Parent Company

D) Subsidiary company

3. Minority Interest is also known as.....

A) Controlling interest

B) Acquisition Interest

C) Non Controlling Interest

D) None of these

4. According to income recognition, interest on NPA should be recognised on.....

A) Accrual basis

B) Standard basis

C) Actually received basis

D) None of these

5. Insurance Regulatory and Development Authorities Act came into effect in

A) 1999

B) 2001

C) 2010

D) 2008

Fill in the Blanks.

6. IFRSdeals with business combinations.

7. The difference between the total income and total expenditure of an electricity company is known as.....

8. A parent company and its subsidiary is jointly known as.....

9. Loans on which the lender promises to waive repayment is called asloan

10. are the employee benefits that are payable after the completion of the employment

(10 × 1 = 10 Marks)**PART B: Answer any eight questions. Each carries two marks.**

11. What are standard assets?

12. What is slip system?

13. Comment on cash bonus.

(PTO)

14. What is Debenture Redemption Reserve account?
15. Write a short note on Non-banking assets.
16. What is money at call and short notice?
17. Give an account on controlling interest.
18. What is Double Account System?
19. What are government grants?
20. X. Ltd had 10,000, 8% redeemable preference shares of Rs. 100 each, fully paid up. The company decided to redeem these preference shares at par by issue of sufficient number of equity shares of Rs.10 each fully paid at par. Write journal entries in the books of the company.

(8 × 2 = 16 Marks)

PART C: Answer any six questions. Each carries four marks.

21. P. Ltd. has offered right issue to its existing shareholders. The existing share capital of the company is Rs. 25, 00,000. The market price of its share is Rs. 21. The company offers to its shareholders the right to buy 2 shares at Rs.5.50 each for every 5 shares held. You are required to Calculate:
 - i) Theoretical market price after rights issue
 - ii) The value of right
 - iii) Percentage increase in share capital
22. On 1-4-15 R. Ltd. issued Rs.1, 00,000 8% Debentures of Rs.100 each at par redeemable in 5 years. The necessary funds for redemption are to be provided by creating a sinking fund and having an annual investment to yield 5% compound interest. The sinking fund table shows that investment of Re. 0.180975 annually over 5 years fetches Re 1 at 5%. Write necessary accounts to show the redemption of debentures
23. Kerala Electric Company earned a clear profit of Rs.86, 23,000 during the year ended 31st March 2022. Its reasonable return is calculated at Rs.75, 86,000. Show how the surplus is disposed of by the Company. Also give adjusting entry.
24. What is share based payment?
25. Write a short note on reasonable return.
26. A life insurance company gets its valuation made once in every two years. Its life assurance fund on 31-3-2020 amounted to 60,00,000 before providing 60,000 dividend to shareholders for the year 2019-20. Its actuarial valuation disclosed a net liability of 52,72,000 on 31-3-2020. An interim bonus of Rs. 3,50,000 was paid to policy holders during the last two years.

Prepare a statement showing the amount now available as bonus to policyholders.
27. What are the provisions relating to Bonus issue?

28. Following is the B/S of A.Ltd. as on 31. 3.2022:

<i>Liabilities</i>		<i>Assets</i>	
Share Capital (5,000 shares of Rs.100each, Rs. 60 paid)	3,00,000	Sundry Assets	10,00,000
Security Premium	40,000		
Reserve	2,70,000		
Profit and Loss	1,25,000		
Sundry Creditors	2,65,000		
	10,00,000		10,00,000

The company resolves to distribute Rs 1, 50,000 as bonus to be utilised in paying up a call of 30 per share. Minimum reduction is to be made from free reserves

(6 × 4 = 24 Marks)

PART D: Answer any two questions. Each carries fifteen marks.

29. From the following particulars, prepare the final accounts of Calicut Bank Ltd. for the year ended 31.03.2022

Share capital: 100000 shares of Rs.10 each(Rs.5 paid)		5,00,000
Reserve Fund		10,00,000
Fixed Deposit		20,00,000
Savings Bank Deposit		30,00,000
Current Accounts		70,00,000
Borrowings from Bank		2,00,000
Investments	30,00,000	
Premises	12,00,000	
Cash in Hand	60,000	
Cash at Bank	28,00,000	
Money at call and short notice	3,00,000	
Interest accrued and paid	2,00,000	
Salaries	80,000	
Rent	30,000	
Profit& Loss Account(1.4.2021)		1,60,000
Interest earned		4,50,000
Bills discounted	5,00,000	
Bills Payable		8,00,000
Loans, advances, overdraft and credits	70,00,000	
Unclaimed dividends		30,000
Sundry creditors		30,000
	1,51,70,000	1,51,70,000

The Bank had the bills for Rs.14, 00,000 as collection for its constituents and also acceptances and endorsements of them amounting to Rs.4, 00,000.

(PTO)

30. H Ltd. acquired all the shares in S Ltd. on 1st Jan.2022 and the balance sheet of the two companies as on 31st March, 2022:

Equity & Liabilities	H Ltd.	S Ltd.
Shareholders Fund:		
Share Capital	50,000	30,000
Reserve on 1-4-2021	20,000	15,000
Profit & loss A/c	25,000	10,000
Creditors	20,000	15,000
	1,15,000	70,000
Assets	H Ltd.	S Ltd.
Sundry Assets	65,000	70,000
Shares in S Ltd at cost	50,000	-----
	1,15,000	70,000

The profit and loss account of S Ltd. had a credit balance of Rs. 3,000 on 1st April, 2021.

Prepare Consolidated Balance Sheet as on 31st March, 2022.

31. The following are the balances in the books of Akbar Electricity Ltd. Company as on 31.03.2022

Particulars	Dr.(Rs.)	Cr.(Rs.)
Land on 1.4.2021	9,00,000	
Land acquired during the year	30,000	
Machinery on 1.4.2021	36,00,000	
Machinery acquired during the year	30,000	
Mains including cost of laying on 1.4.2021	12,00,000	
Mains laid during the year	3,06,000	
Ordinary share capital		32,94,000
Debentures		12,00,000
Trade Payables		6,000
Depreciation Reserve		15,00,000
Sundry debtors for energy supplied	2,40,000	
Other debtors	3,000	
Cash in hand and at bank	30,000	
Cost of generation of electricity	2,10,000	
Cost of distribution of electricity	30,000	
Rent, rates and taxes	30,000	
Expenses of management	72,000	
Depreciation	1,20,000	7,80,000
Sale of energy		30,000
Rent of meters		
Interest on debentures	60,000	
Interim dividend	1,20,000	
Balance of Revenue Account(1.4.2021)		1,71,000
	69,81,000	69,81,000

Prepare final accounts of the company under Double entry system

(2 × 15 = 30 Marks)