

THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2023**(Regular/Improvement/Supplementary)****FINANCE AND COMPUTER APPLICATION****GBCM3B04T: CORPORATE ACCOUNTING****Time: 2 ½ Hours****Maximum Marks: 80****SECTION A: Answer the following questions. Each carries *two* marks.
(Ceiling 25 Marks)**

1. What do you mean by cum-interest quotation?
2. Comment on capital redemption reserve account.
3. What is stock split?
4. Write a short note on pre-emptive right.
5. What is book building method?
6. Give an account on slip system of accounting.
7. What is rebate on bills discounted?
8. Give capital adequacy ratio.
9. What do you mean by commission on re-insurance ceded?
10. Comment on valuation balance sheet.
11. What is mutual owings? How it is treated at the time of preparing consolidated financial statements?
12. Enlist the features of cost of control.
13. What is non- controlling interest?
14. During the year 2022 ABC Ltd. earned a net profit of Rs. 9,00,000. The number of equity shares outstanding until 30th September 2022 is 2,40,000 shares. On 1st October, 2022, the company made a bonus issue of 1 for every 4 shares. Calculate basic EPS.
15. At the time of auditing the financial statements of Star Company Ltd., for the year 2021-22 on 18-05-2022, the auditors found that there were fictitious salary of Rs.1,00,000. State whether this is an adjusting event or non-adjusting event and why?

**SECTION B: Answer the following questions. Each carries *five* marks.
(Ceiling 35 Marks)**

16. On 1st April, 2020 Surya Ltd. issued 2,000, 8% debentures of Rs. 100 each, redeemable after 5 years. An option was given to debenture holders that they can redeem their debentures at any time after 3 years at Rs. 110 per debenture. At the end of the third year, debenture holders holding 200 debentures exercised their option and redeemed their debentures.

Give journal in the books of the company for issue and redemption of debentures.

(PTO)

17. A company is planning to raise funds by making rights issue of equity shares to finance its expansion. The existing equity share capital of the company is Rs. 50,00,000. The market value of share is Rs. 42. The company offers to its shareholders the right to buy 2 shares at Rs.11 each for every share held. You are required to calculate:
- Theoretical market price after rights issue.
 - The value of rights and.
 - Percentage increase in share capital.
18. Briefly explain the conditions of buy back of shares.
19. Following facts have been taken from the records of Dena Bank Ltd. As on 31st March 2022.

	Dr (Rs.)	Cr (Rs.)
Rebate on bills discounted (not due on March 31 st , 2021)		45,800
Discount received		2,02,500
Bills discounted	12,25,000	

An analysis of the bills discounted is as follows

Sl No	Amount (Rs.)	Due Date 2022	Rate of Discount
1	3,75,000	April 8	12%
2	1,50,000	May 5	14%
3	2,20,000	June 12	14%
4	4,80,000	July 15	15%

You are required to:

- Calculate rebate on bills discounted as on 31st March,2022.
 - The amount of discount to be credited to the Profit and Loss Account.
 - Show necessary journal entries in the books of Deba Bank Ltd. as on 31st March,2022.
20. On 31st March 2023 Loan Account in the books of a bank showed a debit balance of Rs 3,00,000 including Rs.24,000 due from a merchant which is doubtful. The interest accrued on this loan upto 31-03-2023 was Rs. 15,000 including Rs. 3,000 on doubtful debts. The merchant became insolvent and the official receiver paid a dividend of 50 paise in the rupee on 30-04-2023.
- Pass necessary journal entries relating to Merchant's Loan Account which is doubtful in the books of the bank on 31-03-2023 and prepare Merchant's Loan Account.
21. Briefly explain the following terms:
- Standard assets
 - Sub-standard assets
 - Doubtful assets
 - Loss assets
22. The net liability in respect of life policies annuity contracts of Long Life Insurance Company Ltd. on 31st March, 2023 was Rs. 1,08,60,000; its life fund on that date was Rs. 1,22,50,000. During the valuation period, it had paid interim bonus amounting Rs 60,000. The dividend for 2022-23 amounting to Rs. 40,000 was still unpaid. Ascertain the share of profits that the policy holders can get as a result of the valuation.
23. What is non-controlling interest? How it is calculated?

SECTION C: Answer any *two* questions. Each carries *ten* marks.

24. The Life Assurance Fund of Super Life Assurance Company was Rs. 21,62,000 as on March 31st, 2023. The interim bonus paid during the inter - valuation period was Rs. 37,000. The periodical actuarial valuation determined the net liability at Rs. 18,56,250. Surplus brought forward from the previous valuation was Rs. 2,12,500. The Directors of the company proposed to carry forward Rs. 2,32,750 and to divide the balance between the shareholders and the policy holders in the ratio of 1:10.

You are required to show the following:

- a) The valuation balance sheet b) The distribution of surplus.

25. The balance sheet of Himalaya Ltd as on 31st March,2023 was as follows:

Particulars	Amount
A. Equity and Liabilities	
Equity share capital (Rs. 10 per share)	10,00,000
Reserves and Surplus	
General Reserve	1,30,000
Securities Premium Reserve	1,08,000
Statement of Profit or Loss(Surplus)	75,000
Non - Current Liabilities:	
11% Debentures	5,00,000
Term loans	2,65,000
Current Liabilities:	
Current Liabilities and Provisions	1,73,400
Total Equity and Liabilities	22,51,400
B. Assets	
Fixed Assets	13,20,000
Investments	3,60,000
Current Assets:	
Stock	2,37,400
Sundry Debtors	1,92,000
Cash and Bank Assets	1,42,000
Total Assets	22,51,400

The shareholders approved the resolution on the date of the above mentioned Balance Sheet to:

1. Buy back 20% of the paid up capital @ Rs. 15 each.
2. Issue 12% Debentures of Rs. 1,00,000 at a premium of 10% to finance the buyback of shares.
3. Maintain a balance of Rs. 60,000 in general reserve account and
4. Sell investment worth Rs. 1,60,000 for Rs. 1,30,000.

You are required to pass necessary journal entries in the books of the company to record the buyback of shares and also prepare the balance sheet of the company after the buyback of shares.

26. Briefly explain the objectives, scope, measurement and recognition and disclosure requirements under Ind AS 108 (IFRS 8).

(PTO)

27. Prepare consolidated Balance Sheet of H Ltd and its subsidiary S Ltd. as at 31st March, 2023 from the following information:

Particulars	H Ltd.	S Ltd.
A. Equity and Liabilities		
Equity		
Share capital (shares of Rs. 10 each)	15,00,000	6,00,000
Reserves and Surplus		
General Reserve	1,80,000	75,000
Statement of Profit or Loss (Surplus)	1,08,000	48,000
Current Liabilities:		
Trade payables	2,22,000	87,000
Total Equity and Liabilities	<u>20,10,000</u>	<u>8,10,000</u>
B. Assets		
Fixed Assets		
Investments	11,40,000	6,15,000
45,000 equity shares in S Ltd. At cost	6,00,000	
Current Assets:		
Trade receivables	2,70,000	1,95,000
Total Assets	<u>20,10,000</u>	<u>8,10,000</u>

Shares of S Ltd. were acquired by H Ltd. On 01-07-2022. S Ltd. had a surplus of Rs. 18,000 on 01-04-2022.

(2 x 10 = 20 Marks)