

THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2024**(Regular/Improvement/Supplementary)****B.Com. Professional****GBCP3B09T: CORPORATE ACCOUNTING****Time: 3 Hours****Maximum Marks: 80****Part A. Answer *all* the questions. Each carries *one* mark.****Choose the correct answer.**

1. Which of the following entities can be considered as 'Government' under IAS 20?
A) Federal Government. B) IMF.
C) Small and medium enterprise development authority. D) All of these.
2. _____ assets are those which have remained NPA for a period exceeding 12 months.
A) Standard Asset. B) Substandard Asset.
C) Doubtful Asset. D) Loss Assets.
3. Schedule 10 of Banking Company relating to _____.
A) Investment. B) Fixed asset.
C) Advances. D) Loans.
4. A parent and all its subsidiaries is called _____.
A) Associate. B) Group.
C) Subsidiary. D) All of these.
5. Liability for partly paid investments are _____.
A) Short term liability. B) Contingent Liability.
C) Advances. D) Investment.

Fill in the Blanks.

6. _____ is the annual payment made by the insurance company to the insured out of lump sum received in the beginning.
7. Provision for taxation is charged to P&L A/C under the heading _____.
8. _____ lease transfers substantially all the risks and rewards incident to ownership of an asset.
9. When a bank discounts a bill of exchange, it gets an income called _____.
10. Any profit or reserve standing in the Balance sheet on the purchase of shares is called _____.

(10 × 1 = 10 Marks)**(PTO)**

Part B. Answer any *eight* questions. Each carries *two* marks.

11. Explain IFRS 2.
12. Comment on slip system.
13. What is Non-Controlling Interest?
14. Explain the concept of Double Account System.
15. What is Capital Adequacy Ratio?
16. List out the objectives of IFRS 10.
17. What is Consolidated Financial Statements?
18. Explain Share Based payments.
19. What is Bills payable in case of bank?
20. Write an account on double voucher system.

(8 × 2 = 16 Marks)

Part C. Answer any *six* questions. Each carries *four* marks.

21. Calculate income, expenses and finance cost from the following:

On 1-1-2023 a company entered into an arrangement to sell a machine to another company and lease it back for a period of three years.

Selling price – Rs. 2,00,000.

Carrying amount – 70,000.

Fair value – 2,00,000.

Remaining economic life - 3 years.

Residual value – nil.

Lease payment –Rs. 77606 per year.

Interest - 8%.

22. Kabir Ltd. redeemed 60,000, 8 % debentures of ₹100 each at a premium of 5% on April 1,2023 redeemable at par by conversion of debentures into share of 20 each at a premium of ₹4 per share on March 31,2024. Give journal entries for issue and redemption of debentures.
23. Differentiate between pre-acquisition and post-acquisition profit.
24. An Electricity company has incurred Capital Expenditure of ₹1,00,00,000 having life of 10 years. This is partly financed as 40% of Cost contributed by consumer and 25 % is grant from Central Government. Account this transactions & their amortization.

25. On 1st January, Datson Company entered into a new lease arrangement with a new lessor. The lessor agrees to pay the lessee's relocation costs as an incentive to the lessee for entering into the new lease. The lessee's moving costs are ₹1, 00,000. The new lease has a term of 10 years, at a fixed rate of ₹2, 00,000 per year. Calculate lease expense for the year.
26. X Ltd. Purchased 80% of the shares of Y Ltd. The issued capital of Y Ltd. Consists of 25,000 shares of ₹10 each. Consideration paid is ₹2,60,000. The identifiable assets and liabilities of Y Ltd. are ₹3,00,000 and ₹50,000 respectively. Calculate the amount of goodwill.
27. Write short notes on:
- Standard Asset.
 - Sub Standard Asset.
 - Doubtful Asset.
 - Loss Asset.
28. Explain the differences between double entry and double accounts.

(6 × 4 = 24 Marks)

Part D. Answer any two questions. Each carries fifteen marks.

29. What is Financial Lease as per IAS 17? Explain accounting treatment of Financial lease.
30. Balance sheet of A Ltd. and B Ltd. are given below. Prepare consolidated balance sheet.

Financial statement as on 31st March 2023.

	A Ltd. (Rs.)	B Ltd. (Rs.)
I. Equity and liabilities:		
(1) Shareholder's fund		
(a) Share capital (equity shares of ₹ 1 each)	24,000	10,000
(b) Reserves & surplus		
General reserve	10,000	2,000
P & L A/c	4,000	2,000
(2) Current liability	15,000	2,000
Total Equity and liabilities	<u>53,000</u>	<u>16,000</u>
II. Assets:		
(1) Non-current assets		
(a) Fixed assets	-	-
(b) Investment (10,000 shares @ 1)	13,000	-
(2) Current asset	40,000	16,000
Total assets	<u>53,000</u>	<u>16,000</u>

Shares were acquired by A Ltd. on 30th September 2022, B Ltd. transferred Rs. 1,000 from profit to reserve on 31st March 2023.

(PTO)

31. The following Trial balance was extracted from the books of Exe Life Insurance Ltd. as on 31st December 2022:

	₹	₹
Paid-up capital – 10,000 shares of ₹10 each		1,00,000
Life Assurance Fund – 1 st January 2022		29,72,300
Dividends paid	15,000	
Bonus to policy holders	31,500	
Premiums received		1,61,500
Claims paid	1,97,000	
Commission paid	9,300	
Management expenses	32,300	
Mortgages in India	4,92,200	
Interest and dividends received		1,12,700
Agent's balances	9,300	
Freehold Premises	40,000	
Investments	23,05,000	
Loans on Company's Policies	1,73,600	
Cash on deposits	27,000	
Cash in hand and on Current Account	7,300	
Surrenders	7,000	
	<u>33,46,500</u>	<u>33,46,500</u>

You are required to prepare the company's Revenue Account for the year ended 31st December 2022 and its Balance Sheet as on that date after taking into consideration the following:

	₹
Claims admitted but not paid:	9,000
Management Expenses due:	200
Interest accrued:	19,300
Premium outstanding:	10,000
Bonus utilized in reduction of premium	2,000
Claims covered under re-insurance	2,300

(2 × 15 = 30 Marks)