

**D 131378**

(Pages : 4)

Name.....

Reg. No.....

**THIRD SEMESTER (CBCSS—U.G.) DEGREE EXAMINATION  
NOVEMBER 2025**

B.Com.

BCM 3B 04—CORPORATE ACCOUNTING

(2020—2023 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

*Answers should be written in English only.***Section A***Answer all the questions.**2 marks each. Max. 25 Marks.*

1. What do you mean by lump sum payment method ?
2. What do you mean by redemption of preference shares ?
3. Explain the term sinking fund.
4. What is right issue ?
5. What do you mean by ledger posting ?
6. Write the provisions of NPAs.
7. What do you mean by banking companies ?
8. Write the meaning of life insurance.
9. What do you mean by group companies ?
10. What is parent company ?
11. What do you mean by post acquisition profit ?
12. What is consolidated balance sheet ?
13. What is accounting standards ?

**Turn over**

14. What is EPS ?  
15. What is Ind AS 34 ?

(15 × 2 = 30 marks) Max. Ceiling : 25 marks

### Section B

*Answer all questions.  
5 marks each. Max. 35 Marks*

16. Discuss the features of life insurance.  
17. Explain the advantages of book building.  
18. Explain the classification of NPAs and its provisions.  
19. How will you calculate pre-acquisition and post-acquisition profits ?  
20. Discuss the different methods available for redemption of debentures.  
21. Jag Ltd had 5000, 9 % 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.15 each at a premium of Rs. 2 per share as fully paid. Write journal entries.  
22. From the following information, find out the amount of discount credited to P and L account :  
Rebate on bills discounted Rs. 80,000 (1-3-2012)  
Discount received Rs. 75,000

An analysis of the bills discounted shows the following

Amount of bill	Rate of discount	Due date (including grace period)
60000	8 %	1-1-2013
70000	11 %	19-6-2013
200000	9%	10-8-2013

23. P Ltd. Redeemed 2000, 9 % Debentures of Rs. 10 each issued at par by converting them into 10 % debentures of Rs. 10 each at a discount of 10 %. Show journal entries.

(8 × 5 = 40 marks) Max. Ceiling : 35 marks

**Section C**

*Answer any two questions.  
Each question carries 10 marks.*

24. Explain the different steps involved in the preparation of financial statements of a company.
25. A Ltd had 1000, 7 % redeemable preference shares of Rs. 50 each, fully paid up. The company decided to redeem these preference shares at 2 % premium by the issue of sufficient number of equity shares of Rs. 12 each fully paid at 10 % premium. The company had Rs. 75,000 undistributed profit in profit and loss statement on the date of redemption. Write journal entries.
26. From the following particulars, prepare the revenue account of Max Aviva Life Insurance Co. Ltd. For the year ended 31-03-2025.

Life Insurance Fund as on 01-04-2024	...	21,00,000
Bonus to policyholders	...	22,500
Premium received	...	52,500
Claims paid	...	13,000
Commission paid	...	9,300
Management expenses	...	32,300
Interest and dividend received	...	1,02,700
Surrenders	...	72,000
Claims admitted but not paid	...	12,300
Management expenses due	...	3,500
Interest accrued	...	60,300
Premiums outstanding	...	32,000

27. From the following particulars, prepare the final accounts of Kerala Bank Ltd. For the year ended 31-03-2024 :

<i>Particulars</i>	<i>Amount</i>
Share capital (1,00,000 shares of Rs. 10 each, Rs. 5 paid)	10,00,000
Reserve Fund	1,20,000
Fixed deposits	1,20,000

**Turn over**

<i>Particulars</i>	Amount
Saving deposits	1,50,000
Current Accounts	1,25,000
Borrowed from other banks	1,45,000
Investments	5,000
Premises	20,000
Cash in hand	45,000
Cash at bank	55,000
Salaries	60,000
Rent	50,000
P and L account (opening)	52,000
Unclaimed dividends	13,000
Sundry creditors	70,000

(2 × 10 = 20 marks)

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Name.....

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**THIRD SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
NOVEMBER 2024**

B.Com.

BCM 3B 04—CORPORATE ACCOUNTING

(2019—2023 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

**Part A**

*Answer all the questions.  
2 marks each. Max. 25 Marks.*

1. What do you mean by redemption of preference shares ?
2. What is double insurance ?
3. What do you mean by right of renunciation ?
4. What is goodwill in accounting ?
5. What is a whole life policy ?
6. What do you mean by slip system of posting ?
7. What are consolidated financial statements ?
8. What do you mean by earnings per share ?
9. What is Sinking Fund ?
10. What are doubtful assets ?
11. What do you understand by bonus issue of shares ?
12. What do you mean by an insurance policy ?
13. What do you mean by non-controlling interest ?
14. What is event after reporting period as per IND AS 10 ?
15. What is a parent company ?

(15 × 2 = 30 Maximum ceiling 25 Marks)

**Turn over**

**Part B**

*Answer all the questions.  
5 marks each. Max. 35 Marks.*

16. Explain the different methods available for redemption of debentures.
17. Discuss the features of life insurance.
18. What is pre-acquisition profit ? How is it treated ?
19. Explain the different sources of bonus issue.
20. What are the objectives of book building ?
21. B had 3,000, 9 % redeemable 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 equity shares of Rs. 25 each at a premium of Rs. 2 per share as fully paid. Write journal entries.
22. From the following information, find out the amount of discount credited to P and L A/c :

Rebate on bills discounted (01 -04-2017)	...	Rs. 32,480
Discount received	...	Rs. 1,08,000

An analysis of the bills discounted shows the following

Amount of the bill	Rate of discount	Due date (including grace period)
73,000	12 %	14-06-2018
1,46,000	11 %	19-07-2018
4,38,000	10 %	10-08-2018

23. X Ltd. redeemed 1,800, 8 % Debentures of Rs.100 each issued at par by converting them into 9 % debentures of Rs. 100 each at a discount of 10 %. Show journal entries.

(8 × 5 = 40 Maximum ceiling 35 Marks)

**Part C**

*Answer any two of the following.  
10 marks each.*

24. From the following particulars, prepare the final accounts of Malabar Bank Ltd. for the year ended 31-03-2018.

<i>Particulars</i>	Debit	Credit
Share capital (1,00,000 shares of Rs. 10 each, Rs. 5 paid)		5,00,000
Reserve Fund		10,00,000
Fixed deposits		20,00,000
Saving deposits		30,00,000
Current Accounts		70,00,000
Borrowed from other banks		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 and Loss Account (01-04-2017)		1,60,000
Interest earned		4,50,000
Bills discounted	5,00,000	
Bills payable		8,00,000
Loans, advances, overdrafts and credits	70,00,000	
Unclaimed dividends		30,000
Sundry creditors		30,000

**Turn over**

The bank had bills for Rs. 14,00,000 as collection .and also acceptances and endorsements Rs. 4,00,000.

25. From the following particulars, prepare the revenue account of Bharat Life Insurance Co. Ltd. for the year ended 31-03-2020.

Life Insurance Fund as on 01-04-2019	...	29,72,300
Bonus to policyholders	...	31,500
Premium received	...	1,61,500
Claims paid	...	1,97,000
Commission paid	...	9,300
Management expenses	...	32,300
Interest and dividend received	...	1,12,700
Surrenders	...	7,000
Claims admitted but not paid	...	9,300
Management expenses due	...	200
Interest accrued	...	19,300
Premiums outstanding	...	12,000

26. Describe the objectives of preparing consolidated financial statements. Explain how it is prepared.
27. C Ltd had 2,000, 7 % redeemable preference shares of Rs. 50 each, fully paid up. The company decided to redeem these preference shares at 5 % premium by the issue of sufficient number of equity shares of Rs. 10 each fully paid at 10 % premium. The company had Rs. 75,000 undistributed profit in profit and loss statement on the date of redemption. Write journal entries.

(2 × 10 = 20 marks)

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Name.....

Reg. No.....

**THIRD SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
NOVEMBER 2023**

B.Com.

BCM 3B 04—CORPORATE ACCOUNTING

(2019—2022 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

*Answers should be written in English only.***Section A***Answer all the questions.**2 marks each.**Maximum 25 Marks.*

1. What do you mean by redemption of debentures ?
2. What is sum assured in life insurance ?
3. What do you mean by right issue ?
4. What is an endowment policy ?
5. What is a sub-standard asset ?
6. What is Capital Redemption Reserve ?
7. What do you mean by surrender value ?
8. What are consolidated financial statements ?
9. What are basic earnings per share ?
10. What is an adjusting event ?
11. What is cash bonus ?
12. What do you mean by rebate on bills discounted ?
13. What do you understand by negative goodwill ?
14. What is a group company ?
15. What do you mean by pre-acquisition profit ?

(15 × 2 = 30 Maximum ceiling 25 Marks)

**Turn over**

**Section B***Answer all the questions.**5 marks each.**Maximum 35 Marks.*

16. Explain the different kinds of preference shares.
17. What are the different kinds of life insurance policies ?
18. What is post acquisition profit ? How is it treated ?
19. Explain the provisions for the issue of bonus shares.
20. What are the various sources of buy back ?
21. The following is the extract of balance sheet of Sun Ltd. As at 31.03.2020 :

Share capital :

10,000 equity shares of Rs. 10 each	...	1,00,000
10,000, 8 % preference shares of Rs. 10 each	...	1,00,000
Capital Reserve	...	50,000
General Reserve	...	30,000
Profit and Loss A/c	...	85,000

The company decided to redeem the preference share capital on 01.04.2020. Show journal entries.

22. In respect of the following transactions of Safety Bank Ltd. you are required to pass necessary journal entries as well as their treatment in the final accounts in respect of the year ended 31-12-2018. The following bills are discounted at 5 %.

Discounted on	Amount	Term
23-12-2018	50,000	3 months
19-09-2018	1,00,000	4 months
20-10-2018	4,00,000	3 months
30-11-2018	30,000	5 months

23. A company purchased Rs. 30,000, 6 % debentures (own) in Rs. 100 each at Rs. 95 each for investment. After six months, the debentures were cancelled. Show journal entries.

(8 × 5 = 40 Maximum ceiling 35 Marks)

**Section C**

*Answer any two of the following.  
10 marks each.*

24. The following are the ledger balances of Bombay Bank Ltd. Prepare final accounts as on 31-3-2018 :

Share capital (20,000 shares of Rs. 100 each)	...	20,00,000
Reserve Fund Investment	...	10,00,000
General expenses	...	1,82,000
Current deposits	...	2,02,44,000
Interest paid	...	1,61,000
Savings deposits	...	29,20,000
Fixed deposits	...	40,00,000
P and L A/c balance brought forward	...	2,30,000
Discount received	...	1,80,000
Rebate on bills discounted	...	64,000
Statutory Reserve (Opening)		10,00,000
Commission, exchange and brokerage	...	44,000
Cash	...	2,27,000
Interest received	...	5,32,000
Cash with RBI	...	20,12,000
Balance with other banks	...	2,00,000
Short loans (Cr.)		64,82,000
Loans and advances to customers	...	1,55,85,000
Investments	...	98,83,000
Bills discounted	...	62,28,000
Premises	...	22,18,000

**Turn over**

## Additional Information :

- (1) Provision for bad debts required Rs. 1,29,000
- (2) The bank had bills for collection Rs. 5,00,000 and acceptances, endorsements and guarantees Rs. 16,00,000
- (3) The P and L A/c balance is the balance left after the payment of interim dividend amounting to Rs. 2,00,000

25. From the following particulars, prepare the revenue account of Sundar Life Insurance Co. Ltd. for the year ended 31-03-2020 :

Premiums - First year	...	610,000
Renewal premiums	...	130,000
Premium on reinsurance ceded	...	80,000
Premium on reinsurance accepted	...	60,000
Commission paid on first year premium	...	42,000
Commission paid on renewal premium	...	3,000
Commission on reinsurance accepted	...	15,000
Commission on reinsurance ceded	...	4,000
Interim bonus to policy holders	...	22,000
Interests and rent received - gross	...	200,000
Claims by death	...	200,000
Claims by maturity	...	230,000
Claims by death ceded in reinsurance	...	25,000
Claims by maturity ceded in reinsurance	...	15,000
Claims by death accepted in reinsurance	...	18,000
Claims by maturity accepted in reinsurance	...	6,000
Annuities paid	...	35,000
Surrenders	...	22,000
Salaries	...	30,000

Rent, rates and taxes	...	9,000
Audit fee	...	6,000
Law charges	...	4,000
Life Assurance Fund on 01-04-2019	...	35,00,000
Net liability on life policies on 31-03-2019	...	22,50,000
Net liability on life policies on 31-03-2020	...	24,00,000

Transfer 10 % of surplus to shareholders, 10 % to general reserve and balance to fund for future appropriations.

26. What is meant by redemption of preference shares ? Explain the conditions and procedure for the redemption of preference shares.
27. Arjun Ltd. had issued 50,000 debentures of Rs. 100 each redeemable at par. The company purchased 5,000 debentures from the open market for immediate cancellation at Rs. 95 each just after the due date of debenture interest. Pass the journal entries for purchase of own debentures for immediate cancellation.

(2 × 10 = 20 marks)

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Name.....

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**THIRD SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
NOVEMBER 2022**

B.Com.

BCM 3B 04—CORPORATE ACCOUNTING

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

**Part A***Answer all questions.*

1. State the advantages of buy-back of shares.
2. What do you mean by redemption of debentures ?
3. What is bonus shares ?
4. What are the Circumstances for Issuing Bonus Share ?
5. State the Advantages of Issuing Bonus Shares to the shareholders.
6. Define right shares.
7. State the Advantages of Right Issue to companies.
8. What do you mean by redemption of preference share ?
9. Mention the methods for redemption of preference share capital.
10. What is Slip System of Posting ?
11. What are Non-banking Assets ?
12. What do you mean by Rebate on Bills Discounted ?
13. What is Life Fund ?
14. What are standard assets ?
15. What is consolidated balance sheet ?

(15 × 2 = 30, Maximum ceiling 25 Marks)

**Turn over**

**Part B***Answer all questions.*

16. Following are the extracts from the draft B/S of Ram Ltd. as on 31-3-2018 : Authorised capital : Rs. 2,00,000 Equity shares of Rs. 10 each 20,00,000 Issued and subscribed capital : 50,000 Equity shares of Rs. 10 each 5,00,000 Reserve fund 1,00,000 P/L Account 80,000.

A resolution was passed declaring the issue of bonus shares of 20 % on equity shares, to be provided as to 60,000 out of P/L Account and 40,000 out of Reserve Fund. The bonus shares were to be satisfied by issuing fully paid equity shares. Write the journal entries.

17. What are the conditions of the Redemption of Preference Shares ?
18. X Ltd, decided to make a right issue to existing shareholders in proportion of 3 shares for every 4 held. Issue price per share is Rs. 150 and Market Price at the time of right issue is Rs. 200. Calculate the Value of Right.
19. The following are taken from the balance sheet of Raja Ltd as on 31<sup>st</sup> December 2011 :

10,000 equity shares of Rs.10 each Rs. 1,00,000  
 10,000, 8 % preference shares of Rs.10 each Rs. 1,00,000  
 Capital reserve Rs. 50,000  
 General reserve Rs. 30,000  
 P and L A/c Rs. 85,000.

The company redeems the preference shares on 1<sup>st</sup> January 2012. Give journal entries.

20. Mention the Conditions for Issue of Bonus Shares.
21. While closing the books of accounts on 31<sup>st</sup> March, 2017 a Banking Company has its advances classified as follows :

		Rs. in Lakhs
Standard Assets	...	16,800
Sub-standard Assets	...	1,300
Secured portions of doubtful Debts		
- Upto one year	...	320
- One year to three years	...	90
- More than three years	...	30
Unsecured portions of doubtful debts	...	97
Loss Assets	...	48

Calculate the amount of provision, which must be made against the Advances.

22. Net profit for the year 2010 is Rs. 18 lacs. Net profit for the year 2011 is Rs. 60 lacs. Number of equity shares outstanding till 30-09-2010 is 20 lacs. Bonus issue on 01-10-2011 = 2 (new) : 1(old). Calculate EPS for the year 2011 and adjusted EPS for the year 2010.
23. Explain various categories of SLR securities.

(8 × 5 = 40, Maximum ceiling 35 Marks)

### Part C

*Answer any two questions.*

24. From the following information prepare Revenue Account of Safe Insurance Co. Ltd. as on 31<sup>st</sup> March 2011 (figures in 000s) :

Claims by death Rs. 1,52,280, Claims by maturity Rs. 60,220, Premiums Rs. 14,11,380, Transfer fees Rs. 258, Consideration for annuities granted Rs. 1,64,254, annuities paid Rs. 1,06,922, Bonus in cash Rs. 4,832, Expenses of Management Rs.63,840, Commission Rs. 19,148, Interest and dividend Rs. 1,95,680, Income tax Rs. 11,420, Surrenders Rs. 26,280, Bonus in reduction of premium Rs. 1,960, Dividends to shareholders Rs. 11,000 and Life Assurance Fund Rs. 30,42,000.

25. From the following particulars, prepare the balance sheet of Jaya Bank Ltd for the year ended 31<sup>st</sup> March 2011 :

Share capital	...	5,00,000
Reserve Fund	...	10,00,000
Fixed deposit	...	20,00,000
Savings bank deposit	...	30,00,000
Current accounts	...	70,00,000
Borrowed from the 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

**Turn over**

Rent	...	30,000	
Profit and Loss Account (01.04.2010)	...		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 acceptance and endorsements for them amounting to Rs .4,00,000.

26. Write down the entries for redemption of debentures under sinking fund method.
27. The following are the liabilities and assets of the holding company H Ltd. and its subsidiary S Ltd. as on 31<sup>st</sup> December 2014 :

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital :			Sundry Assets	2,60,000	2,40,000
Shares of Rs. 10 each	4,00,000	2,00,000	Investments :		
Profit and Loss Account	80,000	20,000	20,000 shares in		
General Reserve	40,000	16,000	S Ltd.	3,00,000	
Current Liabilities	40,000	4,000			
	5,60,000	2,40,000		5,60,000	2,40,000

H Ltd. acquired the shares of S Ltd. on 31<sup>st</sup> December 2014. Prepare the Consolidated Balance Sheet.

(2 × 10 = 20 marks)

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Name.....

Reg. No.....

**THIRD SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
NOVEMBER 2021**

B.Com.

BCM 3B 04—CORPORATE ACCOUNTING

(2019—2020 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

**Section A***Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. State the objectives of buy back of shares.
2. Mention the disadvantages of buy back of shares
3. What is bonus shares
4. Mention the Circumstances under which Bonus Shares cannot be issued.
5. State the Advantages of Issuing Bonus Shares to the company
6. Define right shares
7. What do you mean by redemption of preference share ?
8. What are Non-banking Assets ?
9. What do you mean by Rebate on Bills Discounted ?
10. What is Life Fund ?
11. What is Reversionary Bonus ?
12. What non controlling interest ?
13. What is negative goodwill ?
14. What is diluted EPS
15. What do you mean by holding company ?

(10 × 3 = 30 marks)

**Turn over**

**Section B**

*Answer at least five questions.*

*Each question carries 6 marks.*

*All questions can be attended.*

*Overall Ceiling 30.*

16. Following are the extracts from the draft B/S of Ram Ltd. as on 31-3-2018 : Authorised capital : Rs. 2,00,000 Equity shares of Rs. 10 each 20,00,000 Issued and subscribed capital : 50,000 Equity shares of Rs. 10 each 5,00,000 Reserve fund 1,00,000 P/L Account 80,000 A resolution was passed declaring the issue of bonus shares of 20 % on equity shares, to be provided as to f 60,000 out of Profit and Loss Account and 40,000 out of Reserve Fund. The bonus shares were to be satisfied by issuing fully paid equity shares. Write the journal entries :
17. X Ltd, decided to make a right issue to existing shareholders in proportion of 3 shares for every 4 held. Issue price per share is Rs. 150 and Market Price at the time of right issue is Rs.200. Calculate the Value of Right.
18. Explain the redemption of debentures by sinking fund method.
19. X Ltd. with a paid up capital of Rs. 5,00,000 divided into shares of f 10 each fully paid had resolved to capitalize Rs. 80,000 of the accumulated reserves of Rs 1,25,000 by issuing bonus shares of f 10 each fully paid. Pass necessary journal entries.
20. The Life Fund of Life Assurance Company was Rs.86,48,000 as on March 31, 2017. The interim bouns paid during the inter-valuation period was Rs. 148000. The periodical actuarial valuation determined the net liability at Rs.74,25,000. Surplus brought forward from the previous valuation was Rs. 8,50,000. The Directors of the company proposed to carry forward Rs. 9,31,000 and to divide the balance between the share holders and the policy holders in the ratio of 1 : 10.
- Show : (a) The Valuation Balance Sheet.  
(b) the distribution of Surplus
21. The revenue account of LIC showed a Life fund of Rs. 20 lakhs and the Balance Sheet total of, Rs. 45 lakhs on 31-3-2017 before taking the following into consideration.
- (a) A claim of Rs. 10,000 was intimated and admitted but not paid during the year.
  - (b) A claim of Rs. 6,000 outstanding in the books for 8 years is written back.
  - (c) Interest on securities accrued Rs. 8,00 but not received during the year.
  - (d) Rent on own building occupied Rs. 2,000.

Pass necessary journal entries for the above omission and recomputed the fund.

22. Net profit for the year 2010 is Rs. 18 lacs. Net profit for the year 2011 is Rs. 60 lacs. Number of equity shares outstanding till 30-09-2010 is 20 lacs. Bonus issue on 01-10-2011 = 2 (new) : 1 (old). Calculate EPS for the year 2011 and adjusted EPS for the year 2010.
23. What is Valuation Balance Sheet ? Draw a format of valuation balance sheet. The statement prepared to find out the excess of Life fund over net liability as per actuarial valuation is known as Valuation Balance Sheet.

(5 × 6 = 30 marks)

### Section C

*Answer any two questions.*

*Each question carries 10 marks.*

24. Following figures have been obtained from the books of Rai Bank Ltd. for the year ending 31<sup>st</sup> March 2011 (figures in '000) :

Issued and subscribed capital Rs. 1,000, Interest and discount earned Rs. 3,800, Commission and exchange earned Rs. 195, Interest paid Rs. 2,000, Salaries and wages Rs. 210, Directors fees Rs. 35, Rent and taxes Rs. 70, Post age and telegrams Rs. 61, Profit on sale of investments Rs. 240, Loss on sale of investments Rs. 38, Rent received Rs. 62, Depreciation Rs. 31, Stationary Rs. 60 and Auditors fees Rs. 8.

Additional information :

- The profit and loss account had a balance of Rs. 10,00,000 on 1st April 2010.
- An advance of Rs. 12,00,000 has become doubtful and it is expected that only 50 % of the amount due can be recovered from the security.
- The provision of tax is made at 50 %.
- A dividend of 10 % is proposed.

Prepare Profit and Loss Account of Rai Bank Ltd for the year ending 31<sup>st</sup> March 2011.

Turn over

25. The following are the liabilities and assets of the holding company H Ltd. and its subsidiary S Ltd. as on 31<sup>st</sup> December 2014 :

<i>Liabilities</i>	H Ltd. Rs.	S Ltd. Rs.	<i>Assets</i>	H Ltd. Rs.	S Ltd. Rs.
Share Capital :			Sundry Assets	2,60,000	2,40,000
Shares of Rs. 10 each	4,00,000	2,00,000	Investments :		
Profit and Loss Account	80,000	20,000	20,000 shares in S Ltd.	3,00,000	
General Reserve	40,000	4,000			
Current Liabilities	5,60,000	2,40,000		5,60,000	2,40,000

H Ltd. acquired the shares of S Ltd. on 31<sup>st</sup> December 2014. Prepare the Consolidated Balance Sheet.

26. From the following information prepare Revenue Account of Safe Insurance Co. Ltd. as on 31<sup>st</sup> March 2011 (figures in 000s) :

Claims by death Rs. 1,52,280, Claims by maturity Rs.60220, Premiums Rs. 14,11,380, Transfer fees Rs. 258, Consideration for annuities granted Rs. 1,64,254, annuities paid Rs. 1,06,922, Bonus in cash Rs. 4,832, Expenses of Management Rs.63,840, Commission Rs.19,148, Interest and dividend Rs.1,95,680, Income tax Rs.11,420, Surrenders Rs.26280, Bonus in reduction of premium Rs. 1960, Dividends to shareholders Rs. 11,000 and Life Assurance Fund Rs. 3,04,2000.

27. Write down the entries for redemption of debentures under sinking fund method.

(2 × 10 = 20 marks)

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(Pages : 4)

Name.....

Reg. No.....

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**THIRD SEMESTER (CBCSS—UG) DEGREE EXAMINATION  
NOVEMBER 2020**

B.Com.

BCM 3B 04—CORPORATE ACCOUNTING

Time : Two Hours and a Half

Maximum : 80 Marks

**Section A**

*Answer at least ten questions.*

*Each question carries 3 marks.*

*All questions can be attended.*

*Overall Ceiling 30.*

1. Mention three methods for redemption of debentures.
2. What is Buy-Back Of Shares ?
3. State the advantages of buy- back of shares.
4. What do you mean by redemption of debentures ?
5. What are the Circumstances for Issuing Bonus Share ?
6. State the Advantages of Issuing Bonus Shares to the shareholders.
7. What is right shares ?
8. State the Advantages of Right Issue to companies.
9. What do you mean by redemption of preference share.
10. Mention the methods for redemption of preference share capital.
11. What is Slip System of Posting ?
12. What is Life Fund ?
13. What is Reversionary Bonus ?
14. What is EPS ?
15. What do you mean by parent company ?

(10 × 3 = 30 marks)

**Turn over**

**Section B**

*Answer at least five questions.*

*Each question carries 6 marks.*

*All questions can be attended.*

*Overall Ceiling 30.*

16. Sun Ltd had 8,000, 8 % redeemable preference shares of Rs. 25 each, Rs. 20 called up. The company decided to redeem the preference shares at 5 % premium by the issue of sufficient number of equity shares of Rs.10 each fully paid up at a premium of 10 %. Pass journal entries relating to redemption.
17. Mention the conditions to be fulfilled for redeeming preference shares.
18. Moon Ltd 10 %, 5000 debentures of Rs. 100 each, redeemable at 5 % premium. The company issued 40,000 equity shares of Rs.10 each at 10 % premium and 1,000, 9 % debentures of Rs. 100 each at par for the purpose of redemption. Pass journal entries.
19. A company purchased Rs. 30,000, 6 % Debentures of its own of Rs. 100 each at Rs. 95 each for investment. After six months the debentures were cancelled. Show Journal entries.
20. State the Funds or Sources for Bonus Issue.
21. Calculate Rebate on Bills Discounted as on 31<sup>st</sup> March, 2017 :

Date of Bill	Amount	Period of Bill	Rate of Discount
20-01-2017	40,000	5 months	16%
10-02-2017	20,000	4 months	18%
15-03-2017	30,000	2 months	15%

22. The revenue account of LIC showed a Life fund of Rs. 20 lakhs and the Balance Sheet total of Rs. 45 lakhs on 31-3-2017 before taking the following into consideration :
  - a) A claim of Rs. 10,000 was intimated and admitted but not paid during the year.
  - b) A claim of Rs. 6,000 outstanding in the books for 8 years is written back.
  - c) Interest on securities accrued Rs. 800 but not received during the year.
  - d) Rent on own building occupied Rs. 2,000.

Pass necessary journal entries for the above omission and recompute the fund.

23. Net profit for the year 2010 is Rs. 18 lacs. Net profit for the year 2011 is Rs. 60 lacs. Number of equity shares outstanding till 30-09-2010 is 20 lacs. Bonus issue on 01-10-2011 = 2 (new) : 1 (old). Calculate EPS for the year 2011 and adjusted EPS for the year 2010.

(5 × 6 = 30 marks)

### Section C

*Answer any two questions.*

*Each question carries 10 marks.*

24. The Life Fund of Life Assurance Company was Rs. 86,48,000 as on March 31, 2017. The interim bonus paid during the inter-valuation period was Rs. 1,48,000. The periodical actuarial valuation determined the net liability at Rs. 74,25,000. Surplus brought forward from the previous valuation was Rs. 8,50,000. The Directors of the company proposed to carry forward Rs. 9,31,000 and to divide the balance between the shareholders and the policyholders in the ratio of 1 : 10.

Show (a) The Valuation Balance Sheet ; and (b) The distribution of Surplus.

25. Following are the balances of a Commercial Bank as on 31-3-2018 :

<i>Particulars</i>	<i>Rs. '000s</i>	<i>Particulars</i>	<i>Rs.'000s</i>
50,000 shares of Rs. 50 each	2,50,000	Salaries	28,500
General Reserve	1,50,000	General Expenses	27,500
Loans and Advances	31,40,000	Rent Paid	2,300
Premises	1,77,500	Directors fee	1,800
Government Securities	9,10,000	Bills Discounted	30,000
Current Deposits	11,82,000	P/L Account	12,500
Savings Deposits	20,00,000	Miscellaneous Income	100
Fixed Deposits	10,00,000	Interim Dividend Paid	10000
Cash in Hand	3,05,000		
Interest, Discount etc.	1,00,000		
Money at Call	62,000		

Adjustments :

1. Provide for bad and doubtful debts Rs. 1,000.
2. Rebate on bills discounted Rs. 600.
3. Interest accrued on investment Rs. 6,100.

Prepare Profit and Loss Account for the year ending 31-3-2018 and Balance Sheet as on that date.

**Turn over**

26. Write down the entries for redemption of debentures under sinking fund method.
27. The following are the liabilities and assets of the holding company H Ltd. and its subsidiary S Ltd. as on 31<sup>st</sup> December 2014 :

<i>Liabilities</i>	H Ltd. Rs.	S Ltd. Rs.	<i>Assets</i>	H Ltd. Rs.	S Ltd. Rs.
Share Capital :			Sundry Assets	2,60,000	2,40,000
Shares of Rs. 10 each	4,00,000	2,00,000	Investments :		
Profit and Loss Account	80,000	20,000	20,000 shares in	3,00,000	
General Reserve	40,000	16,000	S Ltd.		
Current Liabilities	40,000	4,000			
	5,60,000	2,40,000		5,60,000	2,40,000

H Ltd. acquired the shares of S Ltd. on 31<sup>st</sup> December 2014. Prepare the Consolidated Balance Sheet.

(2 × 10 = 20 marks)