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(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2024 ONLY)

24UCC306

REG.NO. :

N.G.M. COLLEGE (AUTONOMOUS): POLLACHI
END-OF-SEMESTER EXAMINATIONS: NOVEMBER-2025

B.COM - C.A
SEMESTER: III

MAXIMUM MARKS: 75
TIME: 3 HOURS

PART - III
CORPORATE ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

- Discount on issue of shares is a _____.
a) Revenue Loss b) Capital Loss c) Deferred revenue expenditure d) Neither of these
- Dividend is paid on _____.
a) Authorized capital b) Issued capital c) Called up capital d) Paid up capital
- Accounting standard for amalgamation is _____.
a) AS-8 b) AS-20 c) AS-14 d) AS-3
- The term Minority Interests represents _____.
a) The shareholders holding 50% of shares in Subsidiary Co.
b) The interest of the outsiders in the Subsidiary Co.
c) The company which holds more than 51% in Subsidiary Co.
d) None of the above.
- Rebate on bills discounted is _____.
a) an accrued income b) an item of income c) a liability income received in advance

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

(K2)

- Explain Forfeiture of shares.
- Give some examples for intangible assets.
- What is Absorption?
- Write a short note on Minority interest.
- What is Re-insurance?

SECTION – B (5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(K3)

- a) A company forfeited 10 shares of Rs.10 each issued at a premium of 10% for non-payment of the final call of Rs.3 per share. Out of these ,7 shares were reissued at Rs. 8 per share as fully paid up. Give entries for forfeiture and reissue.

(OR)

- b) Distinguish between Debentures and shares.

(CONTD.....2)

12. a) From the following balances, prepare the Balance sheet of a company in the prescribed format. Goodwill Rs.1,50,000; Investment Rs.2,00,000; Share capital Rs.5,00,000; Reserves Rs.1,10,000; Securities premium Rs.15,000; Preliminary expenses Rs.10,000; Profit & Loss A/c (Cr.) Rs.25,000; Debentures Rs.2,50,000; Other fixed assets Rs.4,70,000; Stock Rs.80,000; Debtors Rs.60,000; Bank balance Rs. 30,000; Unsecured loan Rs.65,000; Sundry creditors Rs.35,000.

(OR)

- b) Give a short note on Shareholders' funds.

13. a) K Ltd agrees to purchase to business of R Ltd., on the following terms:

- (i) For each of the 10,000 shares of Rs. 10 each in R Ltd., 2 shares in K Ltd. of Rs. 10 each will be issued at an agreed value of Rs. 12 per share. In addition, Rs. 4 per share cash also will be paid.
(ii) 8% Debentures worth Rs 80,000 will be issued to settle the Rs. 60,000 9% Debentures in 'R' Ltd.
(iii) Rs. 10,000 will be paid towards expenses of winding up. Calculate the Purchase Consideration.

(OR)

- b) Explain the various methods of calculating purchase Consideration.

14. a) X Ltd. Purchased 60% shares of Y Ltd. On 1.1.20 when the balance on their P & L A/c and General reserve were Rs.1,50,000 and Rs.1,60,000 respectively. On 31.12.20, the Balance sheet of Y Ltd. Showed P&L A/c balance of Rs.4,00,000 and General reserve Rs.3,00,000. Calculate Capital profits and Revenue profits.

(OR)

- b) S Ltd. has capital of Rs.15,00,000 in shares of Rs.100 each. Out of this, H Ltd. purchased 75% shares at Rs.17,50,000. The profits of S Ltd. at the time of purchase of shares by H Ltd. were Rs.7,50,000. S Ltd. decided to make a bonus issue out calculate the cost of control after the issue of bonus shares.

- 15.a) On 31 March, 2018 a bank held the following bills, discounted by it earlier:

Date of bill 2018	Term of bill (months)	Discounted @ % p.a	Amount of bill Rs.
January, 17	4	17	7,30,000
February, 7	3	18	14,60,000
March, 9	3	17.5	3,64,000

You are required to calculate the rebate on bills discounted. Also show the necessary journal entry for the rebate.

(OR)

- b) The revenue account of a life assurance company shows the Life Assurance Fund on 31.3.2017 at Rs.62,21,310, before taking into accounts the following:

Particulars	Rs.
Claims covered under reinsurance	12,000
Bonus utilized in reduction of life insurance premium	4,500
Interest accrued on securities	8,260
Outstanding premiums	5,420
Claims intimated but not admitted	26,500

What is the Life Assurance Fund after considering the above omissions?

(CONTD.....3)

SECTION – C**(5 X 8 = 40 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.****(K4 (Or) K5)**

16. a) A Ltd. invited applications for 10000 shares of Rs. 100 each at a discount of 5% payable as follows:

On application	Rs.25
On allotment	Rs.34
On first & final call	Rs.36

Applications were received for 9000 shares and all of these were accepted. All moneys due were received except the first and final call on 100 shares which were forfeited. Of the forfeited shares, 50 shares were reissued at the rate of Rs.90 as fully paid. Show necessary journal entries in the books of the company.

(OR)

b) Krishna Ltd. This had Rs.50, 00,000 10% debentures outstanding, made the following purchases in the open market for immediate cancellation:

1.4.1997 1000 debentures of Rs.100 each at Rs.99.

1.9.1997 2000 debentures of Rs.100 each at Rs.97.

You are required to give the journal entries for purchase and cancellation of the debentures.

(i) If the above purchase rates are 'Ex-interest'

(ii) If the above purchase rates are 'Cum-interest', assume that interest is payable every year on 30th June and 31st December.

17.a) The following is the Trail Balance of A Ltd. as on 30.06.90.

Particulars	Debit Rs.	Credit Rs.
Stock on 30.06.89	7,500	
Purchases and Sales	24,500	35,000
Wages	5,000	
Discounts	700	500
Salaries	750	
Rent	495	
Insurance	1,705	
Profit & Loss A/c (1989)		1,503
Dividends paid	900	
Capital		10,000
Debtors and Creditors	3,750	1,750
Machinery	2,900	
Cash at bank	1,620	
Reserve		1,550
Bad debts	483	
TOTAL	50,303	50,303

Adjustments:

(1) Stock on 30.06.90 Rs.8,200

(2) Depreciate machinery at 10%

(3) Provide 5% discount on debtors

(4) Provide 2 ½ % discount on creditors

(5) Six months insurance was unexpired at Rs.75 per annum

(6) One month's rent @ Rs.540 per annum was due on 30th June

(7) Provide Managing Director's commission, 15% on the net profits before deducting his commission.

You are required to prepare Trading, Profit & Loss Account for the year ended 30.06.90 and the Balance Sheet on that date.

(OR)**(CONTD.....4)**

- b) The following balances were extracted from the books of Chandra Limited for the year ended December 31,2016.

Particulars	Rs.
Buildings	6,00,000
Furniture	60,000
Motor vehicles	60,000
Equity shares of companies	4,00,000
Stock in trade at cost	4,00,000
Sundry debtors, unsecured considered goods	2,80,000
Cash at bank	1,72,000
Advances against construction of building	1,30,000
Share capital:10,000 equity shares of Rs.100 each	10,00,000
Sundry creditors	3,50,000
Profit and Loss A/c (credit)	20,000
Gross profit	1,00,000
Dividend received on investment	10,000
Salaries and wages	2,20,000
Directors fees	8,000
Electricity charges	25,000
Rates, taxes and insurance	10,000
Auditors fees	15,000

Prepare Statement of Profit & Loss of the company for the year ended December 31, 2016, and a Balance Sheet as on that date after considering the following adjustments.

- Provide 10% depreciation per annum on Fixed Assets.
- Stock has been revalued Rs.3,60,000. This has not yet been considered.
- Debts more than 6 months are Rs.80,000
- Ignore tax provision.

18. a) Ram Ltd., and Shyam Ltd., have agreed to amalgamate. A new company Rajesh Ltd., has been formed to take over the combined concern as on 31st December 2018. After negotiations, the assets of the two companies have been agreed upon as shown below:

Balance Sheet as on 31-12-2018

Liabilities	Ram Ltd. Rs.	Shyam Ltd. Rs.	Assets	Ram Ltd. Rs.	Shyam Ltd. Rs.
Share capital: Shares of Rs.10 each	10,00,000	5,00,000	Land & Building	5,00,000	3,00,000
Reserve Fund	-	50,000	Plant & Machinery	2,00,000	2,50,000
P & L A/c	50,000	50,000	Goodwill	-	50,000
Creditors	80,000	50,000	Furniture	1,10,000	-
			Stock	1,50,000	20,000
			Debtors	1,20,000	20,000
			Bank	50,000	10,000
	11,30,000	6,50,000		11,30,000	6,50,000

Prepare the balance sheet of Rajesh Ltd., assuming

- The entire purchase price is paid off in the form of equity shares of Rs.100 each in Rajesh Ltd.
- The amalgamation is in the nature of Merger.

(OR)

(CONTD.....5)

- b) X Co. Ltd. agreed to acquire the assets excluding cash as on 31st December 2021 of Y Co. Ltd.

The Balance Sheet of Y Co. Ltd. as on that date was:

Liabilities	Rs.	Assets	Rs.
Equity capital: (shares of Rs.10 each)	3,00,000	Goodwill	60,000
General reserve	80,000	Land & Buildings	1,20,000
Debentures	50,000	Plant & Machinery	2,00,000
Creditors	10,000	Stock	80,000
P & L A/c	60,000	Debtors	30,000
		Cash	10,000
	5,00,000		5,00,000

The consideration was as follows:

- A cash payment of Rs. 4 for every share of Y Ltd.
 - The issue of one share of Rs. 10 each at market value of Rs. 12.50 in the X company Ltd., for every share in Y Ltd.
 - The issue of 1,100 debentures of Rs. 50 each in X Co. Ltd. to enable Y Ltd. to discharge its debentures at a premium of 10%.
 - The expenses of liquidation of Y Ltd. Rs. 4,000 was to be met by themselves.
- Give the journal entries in the books of both the companies.

19. a) From the Balance sheets and information given below, prepare a consolidated Balance sheet.

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)	Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Share capital (Rs.10 per share)	1,00,000	20,000	Sundry assets	80,000	12,000
Profit & Loss	40,000	12,000	Stock in trade	61,000	24,000
Reserves	10,000	6,000	Debtors	13,000	17,000
Creditors	20,000	12,000	Bills receivable	1,000	-
Bills payable	-	3,000	Shares in S Ltd. (1500 shares at cost)	15,000	-
	1,70,000	53,000		1,70,000	53,000

Additional information:

- All profits of S Ltd. have been earned since the shares were acquired by H Co. Ltd. but the reserve of Rs. 6,000 was already there at the time.
- Bills accepted by S Co. Ltd. are all in favour of H Co. Ltd. which has discounted Rs.2,000 of them.
- Sundry assets of S Co. Ltd., undervalued by Rs.2,000.
- The stock in trade of H Co. Ltd. includes Rs.5,000 bought from S Co.Ltd.at a profit to the latter of 25% on cost.

(OR)

- b) On 31st March, 2018 the balance sheets of H Ltd. and its subsidiary S Ltd. stood as follows:

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)	Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Equity share capital	8,00,000	2,00,00	Fixed assets	5,50,000	1,00,000
General reserve	1,50,000	70,000	75% shares in S Ltd. (at cost)	2,80,000	-
Profit & Loss A/c	90,000	55,000	Stock	1,05,000	1,77,000
Creditors	1,20,000	80,000	Other current assets	2,25,000	1,28,000
	11,60,000	4,05,000		11,60,000	4,05,000

Draw a consolidated Balance Sheet as at 31st March,2018 after taking into consideration the following information:

- H Ltd. acquired the shares on 31st July, 2017.
- S Ltd. earned profit of Rs.45,000 for the year ended 31st March,2018.
- In January 2018 S Ltd. sold to H Ltd. goods costing Rs.15,000 for Rs.20,000. On 31st March, 2018 half of these goods were lying unsold in the godown of H Ltd.

Give your working notes.

(CONTD.....6)

20. a) From the following information prepare profit and loss account of National Bank for the year ended on 31st March, 2020 in the prescribed form.

Particulars	Rs.	Particulars	Rs.
Interest on loans	2,59,000	Interest on fixed deposits	2,75,000
Rebate on bills discounted	49,000	Commission	8,200
Establishment	54,000	Discount on bills discounted	1,95,000
Interest on cash credits	2,23,000	Interest on current accounts	42,000
Rent and rates	18,000	Interest on overdrafts	1,54,000
Directors fees	3,000	Auditors fees	1,200
Interest on savings bank deposit	68,000	Postage and telegrams	1,400
Printing and stationery	2,900	Sundry charges	1,700

Bad debts to be written off amounted to Rs. 40,000. Provision for taxation may be made @ 55%. Balance of profits from last year was Rs.1,20,000. The directors have recommended a dividend of Rs.20,000 for the shareholders.

(OR)

- b) From the following particulars, prepare the fire revenue account for 2016-17:

Particulars	Rs.in '000'
Claims paid	235
Legal expenses regarding claims	5
Premiums received	600
Reinsurance premium	60
Commission	100
Expenses of management	150
Provisions against unexpired risk on 1.4.2016	260
Claims unpaid on 1.4.2016	20
Claims unpaid on 31.3.2017	35
