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Name.....

Reg. No.....

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

2
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 31st 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 1st January 2012. Give journal entries.

20. Mention the Conditions for Issue of Bonus Shares.
21. While closing the books of accounts on 31st 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 31st 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 31st 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
		<u>1,51,70,000</u>	<u>1,51,70,000</u>

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 31st 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			
	<u>5,60,000</u>	<u>2,40,000</u>		<u>5,60,000</u>	<u>2,40,000</u>

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

(2 × 10 = 20 marks)