

Roll No.

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B.Com.(Professional) (2013 to 2017 Batch) (Sem.-4)

CORPORATE ACCOUNTING – II

Subject Code : BCOP-401

M.Code : 22019

Date of Examination : 13-12-22

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-B** contains **SIX** questions carrying **TEN** marks each and students have to attempt any **FOUR** questions.

SECTION-A

- 1. Write short notes on :**
- a) Absorption
 - b) Reconstruction
 - c) Consolidated balance sheet
 - d) Minority interest
 - e) Preferential creditors
 - f) Compulsory winding up
 - g) Liquidators remuneration
 - h) Slip system of posting
 - i) Life assurance fund
 - j) Reserve for unexpired risks.

SECTION-B

2. Define purchase consideration. Explain methods to calculate it by taking suitable examples.
3. What is Valuation balance sheet? How is profit and loss ascertained of a Life Insurance business?
4. Explain about the treatment of following items in the balance sheet of a bank along with their meaning :
 - i) Rebate on bills discounted
 - ii) Cash credit and overdraft
 - iii) Endorsement and guarantees as per Contra.
5. X Ltd. and Y Ltd. are two companies carrying on business in the same line of activity. Balances taken from their books as on 31-3-2018 are given below :

Credit Balances	X Ltd.	Y. Ltd.	Debit Balances	X Ltd.	Y Ltd.
Fully Paid-up Equity Shares of Rs. 10 each	6,00,000	2,00,000	Land & Buildings	1,00,000	-
General Reserve	4,00,000	2,00,000	Plant & Machinery	7,00,000	3,00,000
Secured Loan	6,00,000	1,90,000	Investments	1,00,000	-
Current Liabilities	6,00,000	4,00,000	Stock	9,00,000	4,00,000
			Debtors	3,00,000	1,00,000
			Cash at Bank	1,00,000	1,00,000
	22,00,000	9,00,000		22,00,000	9,00,000

The two companies decide to amalgamate in the nature of purchase into XY Ltd. Following further information is given :

- a) X Ltd. holds 8,000 shares in Y Ltd @ Rs. 12.50 each.
- b) All assets and liabilities of the two companies, except investments are taken over by XY Ltd.
- c) Each share in Y Ltd. is valued @ Rs. 25 for the purpose of amalgamation.
- d) Shareholders in X Ltd. and Y Ltd. are paid off by issuing to them sufficient number of equity shares of Rs. 10 each in XY Ltd. as fully paid up at par.
- e) Each share in X Ltd. is valued @ Rs. 15 for the purpose of the amalgamation.

Show Journal Entries to close the books of both the companies.

6. Following are the Balance Sheets of H Ltd. and S Ltd. as on 31st March, 2018

	H Ltd.	S Ltd.
	Rs.	Rs.
I. Equity and Liabilities		
(1) Shareholder's Funds		
(a) Share Capital:		
Equity Shares of Rs. 100 each	10,00,000	5,00,000
(b) Reserves & Surplus		
(i) General Reserve	1,00,000	1,70,000
(ii) Surplus A/c:	1,60,000	1,30,000
(2) Current Liabilities		
Trade Creditors	4,40,000	2,00,000
Total	17,00,000	10,00,000
II. Assets		
(1) Non-current Assets		
(a) Fixed Assets	4,80,000	2,50,000
(b) Investment in Shares of S Ltd.	5,00,000	-
(2) Current Assets	7,20,000	7,50,000
Total	17,00,000	10,00,000

Following additional Information is provided :

- H Ltd. acquired 3,000 shares in S Ltd. on 1st July, 2017. The Reserves and Surplus position of S Ltd. as on 1st April, 2017 was as under: General Reserve 2,50,000; Surplus A/c 1,20,000 ft.
- On 1st October, 2017 S Ltd. Issued one equity share for every four shares held as Bonus shares out of the General Reserve. No entry has been made in the books of H Ltd., for the receipt of these Bonus shares. However, entry has been made in the books of S. Ltd. for the issue of Bonus shares.
- On 30th September, 2017, S Ltd. declared a dividend out of pre-acquisition profits @ 25% on Rs. 4,00,000, its capital on that date. H Ltd., credited the dividend to its surplus account.
- S Ltd. owed H Ltd., 50,000 for purchase of stock from H Ltd. The entire stock is held by S Ltd. on 31st March 2018. H Ltd. made a profit of 25% on cost.

Prepare a Consolidated Balance Sheet of H Ltd. and its subsidiary S Ltd. as on 31st March 2018.

7. A Company went into liquidation with the following details :

Assets realized Rs. 7,00,000; liquidation expenses Rs. 12,600, creditors (including salaries of staff Rs. 8400) Rs. 95200; Share Capital consists of 7,000, 6% preference shares of Rs. 30 each (one year dividends are in arrears) Rs. 2,10,000; 14,000 equity share of Rs. 10 each, Rs. 9 called up and paid up Rs. 1,26,000; Commission is 3% on assets realised and 2% on amount paid to shareholders. Under the articles arrears of preference dividend are payable and preference shareholders have the right to receive one third of the surplus remaining after repaying the equity capital. Show Liquidator's Final Statement of Account.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.