

Exam. Code : 108503

Subject Code : 2809

B.Com. 3rd Semester
CORPORATE ACCOUNTING
Paper-BCG-303

Time Allowed—Three Hours] [Maximum Marks—50

SECTION—A

Note :— Attempt any **TEN** sub-parts. Each sub-part carries 1 mark.

1. (a) What are sweat equity shares ?
- (b) Define Purchase Consideration.
- (c) Explain Standard Asset.
- (d) What do you mean by buy-back of shares ?
- (e) Define convertible debentures.
- (f) Define Preference Shares.
- (g) Define Corporate Dividend Tax.
- (h) Define Capital Redemption Reserve.
- (i) Explain surrender value.
- (j) Explain endowment policy.
- (k) Define provisioning coverage ratio.
- (l) Explain two categories of amalgamation.

SECTION—B

Note :— Attempt any **TWO** questions. Each question carries 10 marks.

2. Define Amalgamation. What are the types of Amalgamations ? What are the methods of Accounting for Amalgamations ?
3. Distinguish between Equity Share and Preference Share. Write a detailed note on Sweat Equity Share.

4. X Ltd. invited applications for 2,00,000 equity shares of Rs. 10 each payable as follows :
- Rs. 3 on application
 - Rs. 3 on allotment
 - Rs. 4 on first and final call.

Applications were received for 1,80,000 shares and all of these were accepted. All calls due were received except the final call on 4000 shares which were forfeited. 2,000 of these shares were reissued @Rs. 8 per share as fully paid up.

Pass entries in the cash book and journal of the company. Also prepare the balance sheet of the company.

5. The Balance Sheets of P Ltd. and Q Ltd. as on 31.3.2016 were as under :

Liabilities	P Ltd.	Q Ltd.
Share Capital Equity Shares of Rs. 10 each	5,00,000	4,00,000
10% Preference Shares of Rs. 100 each	4,00,000	2,00,000
General Reserve	1,20,000	-
Security Premium	30,000	20,000
Profit & Loss A/c	80,000	50,000
10% Debentures	90,000	60,000
Sundry Creditors	60,000	30,000
	12,80,000	7,60,000

Assets	P Ltd.	Q Ltd.
Goodwill	1,00,000	20,000
Land & Buildings	4,80,000	2,80,000
Plant & Machinery	3,00,000	1,07,000
Furniture	1,00,000	60,000
Investments	1,00,000	1,00,000
Stock	1,00,000	80,000
Debtors	80,000	70,000
Bank	20,000	40,000
Discount on Issue of Debentures	-	3,000
	12,80,000	7,60,000

A new company PQ Ltd. was formed on 1.4.2016 to acquire the business of P Ltd., and Q Ltd., with an authorized capital of Rs. 15,00,000 divided in Equity Shares of Rs. 10 each. The terms and conditions of acquisition were as under :

- (i) The business of P Ltd., was considered worth Rs. 11,50,000 and was discharged by issuing 57,500 equity shares at Rs. 20 each.
- (ii) The business of Q Ltd., was considered worth Rs. 5,50,000 and was discharged by issuing 27,500 equity shares at Rs. 20 each.
- (iii) Liquidation expenses of P Ltd., amounting to Rs. 10,000 were paid by PQ Ltd.
- (iv) 12,000 equity shares in PQ Ltd., were issued to the public at Rs. 20 per share.

Pass necessary Journal Entries in the books of Transferee Company and prepare its Balance Sheet by following AS-14 in the nature of merger.

SECTION—C

Note :— Attempt any **TWO** questions. Each question carries 10 marks.

6. Prepare final Accounts of Life Insurance Company with imaginary figures.
7. From the following figures taken from the books of Air Asia Insurance Co. Ltd., doing fire underwriting business, prepare the set of final accounts for the year 2015-16 :

Particulars	Rs.
Fire Fund (As on 1.4.2015)	9,30,000
General Reserve	4,50,000
Investments	36,00,000
Premium	27,01,533
Claims Paid	6,02,815
Share Capital-(Divided into Equity Shares of Rs. 100 each)	9,00,000

Particulars	Rs.
Additional Reserve	3,30,000
Profit & Loss A/c (Cr.)	75,000
Re-insurance premium	1,12,525
Claim recovered from Re-insurers	21,119
Commission on re-insurance ceded	48,016
Advance income tax paid	2,50,000
Commission on Direct Business	2,99,777
Commission on reinsurance accepted	60,038
Outstanding Premium	22,300
Claims intimated but not paid (1.4.2015)	60,000
Expenses on Management	4,31,947
Audit Fees	36,000
Rates and Taxes	5,804
Rents	67,500
Income from Investments	1,53,000
Sundry Creditors	22,500
Agent's Balances (Dr.)	20,000
Cash in Hand and Bank Balances	1,82,462

The following further information may also be noted :

- (i) Expenses of management include survey fees and legal expenses of Rs. 36,000 and Rs. 20,000 relating to claims.
- (ii) Claims intimated but not paid on 31.3.2015, Rs. 1,04,000.
- (iii) Income Tax to be provided at 35%.
- (iv) Transfer of Rs. 2,00,000 to be made from current profits to General Reserve.

8. Prepare Banking Company Profit & Loss A/c and Balance Sheet with imaginary figures.
9. Define Non Performing Assets. Discuss its classification. Also explain legal provisions regarding NPA.