



Reg. No.: .....

Name: .....

**V Semester B.B.A. Degree (CCSS – Reg./Supple./Imp.)**  
**Examination, November 2015**  
**BBA – Core Course**  
**5 B09 BBA : CORPORATE ACCOUNTING**  
**(2012 Admn. Onwards)**

Time : 3 Hours

Max. Weightage : 30

## PART – A

This Part consist of **two** bunches of question carrying **equal** weightage of **one**.  
**Each** bunch consist of **four** objective type questions. Answer **all** questions.

- I. 1) Provision for taxation is debited to \_\_\_\_\_ account.
- |            |                        |
|------------|------------------------|
| a) P & L   | b) P & L Appropriation |
| c) Trading | d) Manufacturing       |
- 2) The most important income of a bank is
- |                     |                |
|---------------------|----------------|
| a) commission       | b) interest    |
| c) registration fee | d) locker rent |
- 3) Valuation Balance Sheet is prepared by a Life Insurance Company to find out \_\_\_\_\_
- |                          |                       |
|--------------------------|-----------------------|
| a) profit or loss        | b) financial position |
| c) surplus or deficiency | d) net liability      |
- 4) When shares are surrendered by shareholders the amount is credited to \_\_\_\_\_ A/c.
- |                       |                    |
|-----------------------|--------------------|
| a) Capital Reduction  | b) Re-organisation |
| c) Shares surrendered | d) None of these   |

(W. = 1)



- II. 5) Credit balance in P & L Appropriation A/c is known as \_\_\_\_\_
- 6) Insurance business in India is controlled by \_\_\_\_\_
- 7) Loan taken by banks from other banks for a few days is known as \_\_\_\_\_
- 8) When 8,00,000 shares of Rs. 10 each is converted into 80,000 shares of Rs. 100 each it is a case of \_\_\_\_\_ (W. = 1)

## PART – B

Answer **any eight** questions in **one** or **two** sentences **each**. **Each** question carries a weightage of **one**.

- 9) What is secret reserve ?
- 10) What is corporate dividend tax ?
- 11) What is meant by Amalgamation in the nature of merger ?
- 12) What do you mean by dissenting shareholders ?
- 13) What is sub-division of shares ?
- 14) Define internal reconstruction.
- 15) What do you mean by term loan ?
- 16) The following figures are extracted from the Trial Balance of a Bank as on 31-3-2012
- Discount received (Cr.) Rs. 4,30,000
- Rebate on bills discounted (1-4-2011) Rs. 27,000
- Rebate on bill discounted (31-3-2012) Rs. 5,290
- Compute the amount of discount to be credited to Profit and Loss A/c.
- 17) What is the use of amalgamation adjustment account ?
- 18) Explain reinsurance. (W. 8×1 = 8)



PART – C

Answer **any six** questions. Answer **not** to exceed **one** page. **Each** carries a weightage of **two**.

19) Give the proforma of Balance Sheet of a company.

20) A Life Insurance Company prepared its revenue a/c for the year ended 31-3-2012 and ascertained a life assurance fund of Rs. 32,72,000. Later it was found that the following items had not been considered.

1) Claims intimated but not admitted	Rs. 1,82,000
2) Claims covered under reinsurance	Rs. 16,000
3) Outstanding premium	Rs. 40,000
4) Interest accrued on investments	Rs. 45,000
5) Bonus utilised in reduction of premium	Rs. 60,000

What is the true life assurance fund ?

21) Define : a) Standard assets b) Sub-standard assets.

22) The following is the Balance Sheet of A Co. Ltd.

Liabilities	Rs.	Assets	Rs.
Share capital	60,000	Goodwill	28,000
Debentures	10,000	Land and Building	16,000
Sundry creditors	6,000	Plant and Machinery	28,000
General Reserve	4,000	Stock	16,000
Profit and Loss A/c	20,000	Debtors	8,000
		Cash	2,000
		Preliminary expense	2,000
	<b>1,00,000</b>		<b>1,00,000</b>

B Co., takes over the business of A company. The value agreed for various asset is goodwill Rs. 22,000, Land and Building Rs. 25,000, plant and machinery Rs. 24,000, Stock Rs. 13,000 and Debtors Rs. 8,000. B company does not take over cash but agrees to assume the liability of Sundry creditors of Rs. 5,000. Calculate purchase consideration.



23) Give journal entries for the following transaction in connection with internal reconstruction

- 1) 10,000 Equity shares of Rs. 10 fully paid, reduced to shares of Rs. 5 each fully paid.
- 2) 100, 8% debentures of 1000 each converted into 500, 6% debentures of 100 each.
- 3) The debit balance of P & L A/c Rs. 50,000 and the preliminary expenses Rs. 10,000 were written off.
- 4) Value of plant and machinery and stock written down by Rs. 20,000 and Rs. 10,000 respectively.

24) A Ltd. was incorporated on 1<sup>st</sup> July 2002 which took over a running concern effect from 1-1-2002. The sales for the period upto 1<sup>st</sup> July 2002 were Rs. 2,70,000 and the total sales for the year amounted to Rs. 6,00,000. The expenses debited to Profit and Loss Account included :

a) Directors fee	Rs. 1,500
b) Bad debts	Rs. 1,800
c) Advertisement (Rs. 500 per month)	Rs. 6,000
d) Salaries	Rs. 32,000
e) Preliminary expenses written off	Rs. 3,000

The gross profit was (1-1-2002 to 31-12-2002) Rs. 2,40,000.

Ascertain the profit prior to incorporation.

25) Give the accounting treatment for the declaration and payment of dividend by a joint stock company.



26) Following is the Balance Sheet of XY Ltd. as on 31-3-2012.

	Rs.		Rs.
50,000 eq. shares of Rs. 10	5,00,000	Goodwill	2,00,000
General Reserve	1,00,000	Land and Building	1,70,000
P & L A/c	72,000	Plant	3,00,000
8% debentures	2,00,000	Stock	80,000
Creditors	28,000	Sundry Debtors	1,00,000
		Cash at bank	20,000
		Preliminary expense	10,000
		Discount on issue of shares	20,000
	<b>9,00,000</b>		<b>9,00,000</b>

On the above date, XY Ltd. took over the above business for Rs. 7,50,000 to be discharged Rs. 7,00,000 in equity shares of Rs. 10 each and Rs. 50,000 in cash. XY Ltd. paid liquidation Expenses Rs. 10,000.

Give journal entries in the books of XY Ltd. Also show important ledger accounts.

(W. 6×2 = 12)

#### PART – D

Answer **any two**. Each question carries a weightage of **four**.

27) The following is the Trial Balance of Lakshmi Co. Ltd. as at 30<sup>th</sup> June 2002.

Stock (30 <sup>th</sup> June 2002)	75,000	
Sales		3,50,000
Purchases	2,45,000	
Wages	50,000	
Discount		5,000
Furniture & fittings	17,000	
Salaries	7,500	
Rent	4,950	
Sundry expenses	7,050	
P & L Appropriation a/c (30 <sup>th</sup> June 2001)		15,030
Dividend paid	9,000	



Share capital		1,00,000
Debtors and Creditors	37,500	17,500
Plant & Machinery	29,000	
Cash and Bank	16,200	
Reserve		15,500
Patents and Trade marks	4,830	
	<b>5,03,030</b>	<b>5,03,030</b>

Prepare Trading Account, Profit and Loss Account, Profit and Loss Appropriation Account for the year ended 30<sup>th</sup> June 2002 and a Balance Sheet as at that date after taking into consideration the following adjustments:

- Stock on 30<sup>th</sup> June 2002 was valued at Rs. 82,000
- Depreciation on fixed assets at 10%
- Make a provision for income tax at 50%

28) A Ltd. agrees to sell their entire undertaking to B Ltd. on following terms. B will pay them Rs. 6,00,000 in cash and to allot them two fully paid share of Rs. 6 each (market value Rs. 7.50 per share) in exchange of every three shares in their own company. The Balance Sheet of A on the date of amalgamation stood as follows :

<b>Balance Sheet</b>			
<b>Liabilities</b>	<b>Rs.</b>	<b>Asset</b>	<b>Rs.</b>
Capital (1,20,000 shares of Rs. 6 each fully paid)	7,20,000	Land & Buildings	4,50,000
Reserve fund	3,60,000	Plant & Machinery	2,18,700
Creditors	1,32,500	Stock	2,73,450
P & L A/c	34,168	Debtors	2,29,500
		Bank	74,280
		Cash	738
	<b>12,46,668</b>		<b>12,46,668</b>

A company will pay their liquidation expenses themselves which amounted to Rs. 9,000. You are requested to close the books of A and give opening entries in the books of B assuming that amalgamation in the nature of purchase.



29) From the following particulars, prepare the Final Accounts of United Bank Ltd. as on 31.3.2008:

Share Capital 1,00,000		
Shares of Rs. 10 each (Rs. 5 paid)		5,00,000
Reserve Fund		10,00,000
Investments	30,00,000	
Premises	12,00,000	
Fixed Deposit		20,00,000
Saving Bank Deposits		30,00,000
Current Account		70,00,000
Borrowed from the bank		2,00,000
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 (1-4-2007)		1,60,000
Interest earned		4,50,000
Bills discounted	5,00,000	
Bills payable		8,00,000
Loan, advance, overdraft and credits	70,00,000	
Unclaimed dividends		30,000
Sundry creditors		30,000
	<b>1,51,70,000</b>	<b>1,51,70,000</b>

The bank had the bills for Rs. 14,00,000 as collection for its customers and also acceptances and endorsements for them amounting to Rs. 4,00,000. (W. 2x4 = 8)

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