

Q. P. Code:	4C01
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BHARATA MATA COLLEGE, THRIKKAKARA
FIRST INTERNAL EXAMINATION JANUARY 2020
B.Com Semester IV
CORPORATE ACCOUNTS II

TIME: 1½Hrs

Max. Marks: 40

Section A

Answer any 5 Questions
Each question carries 2 mark

1. What is capital reduction
2. What is purchase consideration?
3. What is slip system of posting?
4. How will you deal with the difference in purchase consideration and share capital of the transferor company under merger method?
5. Explain the term NPA

(5 X 2 = 10)

Section B

Answer any 3 Questions
Each question carries 5 marks

6. Distinguish between Amalgamation and Absorption.
7. Discuss the methods of calculating purchase consideration.
8. As per AS-14, what are the conditions to be satisfied for amalgamation in the nature of merger.
9. The following scheme of reconstruction has been approved for Black & White Ltd.
 - 1) The shareholders to receive in lieu of their present holdings of 50,000 shares of Rs. 10 each the following;
 - a) Fully paid up Equity shares equal to 2/5th of their holding
 - b) 10% Preference shares fully paid, to the extent of 1/5th of the above new equity shares
 - c) Rs 60,000 14% secured debentures
 - 2) An issue of Rs 50,000, 12% first debentures was made and allotted, payment for the same has been received in cash.
 - 3) Write off Goodwill to the extent of Rs. 1,50,000.
 - 4) Plant and Machinery which stood at Rs. 1, 00,000 was written down to Rs. 75,000.
 - 5) Freehold and Leasehold premises which stood at Rs. 1,75,000 were written down to Rs. 1,50,000.

Give Journal Entries in the books of the company necessitated by the above reconstruction.

10. From the following information, find out the provision to be shown in Profit and Loss Account of City Bank.

	Rs. In Lakhs
Standard Assets	3000
Substandard Assets:	
Secured	2000
Unsecured	200
Doubtful Assets:	
For one year	900
For two years	600
For three years	400
For more than three years	300
Non recoverable Assets	600

(3X5 = 15)

Section C
Answer any 1 Question
Each question carries 15 marks

11. From the following particulars, prepare profit and Loss Account of Vysali Bank Ltd for the year ended 31.3.2018

	Rs
Interest on Loan	2,60,000
Interest on overdraft	56,000
Interest on cash credit	2,25,000
Discount on bills discounted	2,00,000
Rebate on bills discounted	50,000
Interest on fixed deposit	2,80,000
Interest on Savings Bank Account	70,000
Interest on current Account	45,000
Interest on borrowings	68,000
Commission charged to customers	9,000
Establishment expenses	56,000
Printing and advertisement	3,000
Rent and taxes	20,000
Director's fee	4,000
Postage and telephone	2,000
Sundry charges	2,000
Profit and loss account balance (cr) on 1.4.2017	1,32,000

12. The following is the balance sheet of X Ltd as on 31-03-2018

Particulars	Rs
1. Equity and Liabilities	
1. Shareholders Funds:	15,00,000
a. Share Capital (Equity Share Capital 10,00,000 Preference Share Capital 5,00,000)	
b. Reserves and Surplus (General Reserve 3,00,000 Surplus Account 2,00,000)	5,00,000
2. Non Current Liabilities	2,00,000
a. Long Term Borrowings (9% Debentures)	
3. Current Liabilities	3,00,000
a. Trade payables (creditors)	
Total	25,00,000
II Assets	
1. Non- Current Assets	15,00,000
a. Fixed Assets	
i) Tangible Assets (Plant and Machinery 5,00,000 Land and Building 10,00,000)	
b. Non Current Investments	2,00,000
c. Current Assets	
Inventory (Stock)	3,00,000
Trade Recievables (Debtors)	4,00,000
Cash and Cash Equivalentents (Cash)	1,00,000
Total	25,00,000

Pass Journal Entries in the books of X Ltd . If X ltd is absorbed by Y Ltd on the above date on the following terms

- a. Equity shares are to be reddemed at 6% premium by issuing equity shares in Y Ltd at par.
- b. Nine preference shares in Y Ltd are to be issued for five preference shares held in X Ltd. The face value of preference shares of both the companies is same.
- c. Stock is not taken by Y Ltd and it realised Rs 1,00,000.

(1X 15 =15)
