



K26U 1122

Reg. No. : .....

Name : .....

**IV Semester B.Com. Degree (C.B.C.S.S. – O.B.E. – Supplementary/  
Improvement) Examination, April 2026  
(2020 to 2023 Admissions)**

**Core Course**

**4B 05 COM : CORPORATE ACCOUNTING**

Time : 3 Hours

Max. Marks : 40

**PART – A**

Answer **any six** questions from the following. **Each** question carries 1 mark.

1. What are current liabilities ?
2. What is final dividend ?
3. What is Capital Reduction Account ?
4. Define IFRS.
5. What do you mean by purchase consideration ?
6. Explain the concept surrender of shares.
7. Define preference shares.
8. Explain the term pro-rata allotment. (6×1=6)

**PART – B**

Answer **any six** questions from the following. **Each** question carries 3 marks.

9. Explain amalgamation in the nature of merger.
10. What are the differences between Indian GAAP and IFRS ?

P.T.O.



11. A Ltd. agreed to take over the business of B Ltd. on the following terms :
- Shareholders of B Ltd. are to be paid Rs. 50 in cash and two shares of Rs. 20 each in A Ltd. for every share of B Ltd. B Ltd has 20,000 equity shares outstanding.
  - The debenture holders holding 10,000 debentures of Rs. 50 each are to be redeemed at a premium of 10%.
  - Cost of liquidation amounting to Rs. 50,000 are to be borne by X Ltd.
- Compute the Purchase Consideration.
12. The following are the scheme of reconstruction approved by the Tribunal :
- To reduce the paid up equity capital by Rs. 5 per share (2,00,000 equity shares of Rs. 10 each).
  - To write off Goodwill Rs. 5,00,000 and debit balance in Profit and Loss Account Rs. 1,90,000.
  - To write down the plant and machinery by Rs. 3,10,000.
- Give journal entries to implement the scheme of reconstruction.
13. Explain the functions of IFRS Board.
14. State the differences between surrender of shares and forfeiture of shares.
15. What are the accounting steps in calculating profit prior to incorporation ?
16. Distinguish between Internal Reconstruction and Amalgamation. (6×3=18)

## PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. Explain the meaning of amalgamation and the methods of purchase consideration.
18. Define Accounting Standard. State the need and importance of Accounting Standard.



19. AB Ltd. was incorporated on 1<sup>st</sup> August 2021 to take over the business of Mohan and Sons as a going concern with effect from 1<sup>st</sup> March 2021. The total sales for the year ending 31<sup>st</sup> March 2022 amounted to Rs. 2,00,000 out of which Rs. 60,000 related to the first four months. The profit and loss account of the company for the year stood as follows :

**Statement of Profit and Loss Account**

Particulars	Amount (Rs.)
I Revenue from Operation (Gross Profit)	1,20,000
II Add : Other Incomes	Nil
III Total Revenue (I + II)	1,20,000
IV Less : Expenses	
Employee benefit expenses (Salaries)	12,000
Finance Costs :	
Debenture interest	1,400
Bank charges	900
Interest on loan	3,000
Depreciation and Amortization expenses :	
Discount on issue of debentures	2,800
Other expenses :	
Rent and rates	5,400
Salesman commission	9,000
Discount	3,500
Directors fee	4,000
Electricity charges	2,700
Carriage	4,500
Repair and Renewal	1,500
Bad debt	700
Miscellaneous expenses	3,600
Total expenses	55,000
V Net Profit (III-IV)	65,000

Rs. 200 of the bad debts arose out of sales made during the period from 1<sup>st</sup> April 2021 to 1<sup>st</sup> August 2021. Prepare a statement showing clearly the pre-incorporation and post-incorporation profits. (2×8=16)