B6m

K24U 0824

Reg. No. : ................................

Name : ....................................

**IV Semester B.Com. Degree (C.B.C.S.S. – O.B.E. – Regular/Supplementary/ Improvement) Examination, April 2024**
**(2019 to 2022 Admissions)**
**Core Course**
**4B05COM : CORPORATE ACCOUNTING**

Time : 3 Hours Max. Marks : 40



PART – A

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

1. What is calls in arrear ?
2. Define Debentures.
3. What is IAS ?
4. What is liquidation ?
5. Define IFRS.
6. Define amalgamation.
7. What is forfeiture of shares ?
8. What is incorporation of a company ? **(6×1=6)**



PART – B

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

9. What are the different methods of winding up of companies ? Explain.
10. Differentiate between IFRS and Ind AS.
11. Explain different methods of calculating purchase consideration in amalgamation.
12. Differentiate between calls in arrears and calls in advance.

13. B Ltd. had 3,000, 9% preference shares of Rs. 200 each fully paid up. The company decided to redeem these preference shares at par, by issue of sufficient number of ordinary shares of ₹ 25 each at a premium of Rs. 2 per share as fully paid. Write journal entries in the books of the company.

14. AB Ltd. is absorbed by PK Ltd., the consideration being the takeover of liabilities; the payment of cost of absorption not exceeding Rs. 20,000 (actual cost ₹ 17,000); the payment of the debentures of Rs. 1,00,000 at a premium of 10% in 9% debentures issued at par; and the payment of Rs. 16 per share in cash and allotment of one 14% preference share of Rs. 10 each and six equity shares of Rs. 10 each fully paid for every four shares in AB Ltd. The number of shares of the vendor company are 2,00,000 of Rs. 10 each fully paid.

    Calculate purchase consideration as per Accounting Standard-14.

15. Beautiful Co. Ltd. issued 3,000 equity shares of Rs. 10 each payable as Rs. 3 per share on Application, Rs. 5 per share (including Rs. 2 as premium) on Allotment and Rs. 4 per share on Call. All the shares were subscribed. Money due on all shares was fully received except Mr. Ram, holding 50 shares, failed to pay the Allotment and Call money and Mr. Shyam, holding 100 shares, failed to pay the Call money. All those 150 shares were forfeited. Of the shares forfeited, 125 shares (including whole of Ram's share) were subsequently re-issued to Mr. Jadu as fully paid up at a discount of Rs. 2 per share.

    Pass the necessary entries in the Journal of the company to record the forfeiture and reissue of share.

16. A firm which was carrying on business from 1st January, 2016 gets itself incorporated as a company on 1st May, 2016. The first accounts are drawn up to 30th September, 2016. The gross profit for the period is Rs. 56,000. The expenses are Rs. 14,220; directors' fees Rs. 12,000 p.a.; formation expenses, Rs. 1,500. Rent up to 30th June is Rs. 1,200 p.a., after which it is increased to Rs. 3,000 per annum. Salary of the manager, who upon incorporation of the company was made a director, is Rs. 6,000 p.a. His remuneration thereafter is included in the above figure of fees to directors.

    Give Profit and Loss Account showing pre-incorporation and post-incorporation profits. The net sales are Rs. 8,20,000, the monthly average of which for the first four months of 2016 is one half of that of the remaining period. The company earned a uniform profit. Interest and tax may be ignored. **(6×3=18)**

## PART – C

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

17. What is IASB ? What are the functions of IASB ? Explain.

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

    Assets realized Rs. 70,000; liquidation expenses Rs. 12,600, creditors (including salaries of staff Rs. 8,400) Rs. 95,200 : 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 shares of Rs. 10 each, Rs. 9 called up and paid up Rs. 1,26,000: Commission is 3% on assets realized 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.

19. The paid-up capital of S Ltd., amounted to Rs. 5,00,000, consisting of 50,000 equity shares of 10 each. Due to losses incurred by the company continuously, the directors of the company prepared a scheme of reconstruction which was duly approved by the Tribunal.

    The terms of reconstruction were as under :

    I) In lieu of their present holdings, the shareholders are to receive :

       Fully paid equity shares equal to $2/5^{th}$ of their present holding.

       12% preference shares fully paid-up, to the extent of 25% of the above new equity shares.

       5,000, 11% second debentures of 10 each.

    II) An issue of 5,000, 10% first debentures of Rs. 10 each was made and allotted; payment for the same being received in cash forthwith.

    III) The assets were reduced as follows :

       Goodwill from Rs. 3,00,000 to Rs. 1,50,000;

       Machinery from Rs. 1,00,000 to Rs. 75,000; and

       Leasehold premises from Rs. 1,50,000 to Rs. 1,25,000.

       Pass journal entries to give effect to the above mentioned scheme of reconstruction and show Capital Reorganization Account. **(2×8=16)**