

SET - 2
B.COM PROFESSIONAL (SEM – 4th)
CORPORATE ACCOUNTING – 1I
SUBJECT CODE : BCOP 401

TIME : 03 HRS

M.M : 60

Instructions to candidates:

- 1) Section – A is compulsory.
- 2) Attempt any four questions from Section – B.

Section – A

(10 × 2 = 20)

- Q1) a. What do mean by inter company owings.
 b. What is purchase consideration.
 c. What is cost of control in case of holding companies.
 d. Define pre acquisition (capital) profit.
 e. Explain the term preferential creditors.
 f. What are the various modes of winding up of the company.
 g. What is statement of affairs.
 h. What is A list of contributories.
 i. Explain money at call and short notice.
 j. Explain cash reserve ratio.

Section – B

(4 × 10 = 40)

- Q2) Prepare (with imaginary figures) the balance sheet of life insurance company.
 Q3) Define amalgamation. What entries are passed by a company to close its books when it is amalgamated by another company?
 Q4) What are non-performing assets? Discuss the accounting policy to be followed regarding recognition of income in relation to non performing assets.
 Q5)

Following are the summarized Balance Sheets of M Ltd. and N Ltd. :

<i>Liabilities</i>	<i>M Ltd.</i>	<i>N Ltd.</i>	<i>Assets</i>	<i>M Ltd.</i>	<i>N Ltd.</i>
	₹	₹		₹	₹
Share Capital	40,000	20,000	Sundry Assets	42,000	33,000
Surplus Account	5,000	—	Shares in N Ltd.	20,000	—
Creditors	15,000	6,000	Loan—N Ltd.	8,000	—
Loan—H Ltd.	10,000	—	Surplus Account	—	1,000
Loan—M Ltd.	—	8,000	(Dr. Balance)		
	70,000	34,000		70,000	34,000

The whole of the shares of N Ltd. are held by M Ltd.

A new company MN Ltd. is formed to acquire the sundry assets and creditors of M Ltd. and N Ltd. and for this purpose, the sundry assets of M Ltd. are revalued at ₹ 30,000 and those of N Ltd. at ₹ 20,000. The amount of the loan due to H Ltd. is also to be discharged in shares in the new company ; the debt due to M Ltd. is also to be similarly discharged.

Show the journal entries necessary to close the books of M Ltd. and N Ltd.

Q6)

Following information was extracted from the books of a limited company on 31st March, 2013 on which date a winding up order was made :

Cash in hand	₹
Stock-in-trade (estimated to produce ₹ 15,000)	5,000
Fixture and Fittings (estimated to produce ₹ 2,100)	20,000
Plant and Machinery (estimated to produce ₹ 15,600)	3,000
Freehold Land and Buildings (estimated to produce ₹ 45,000)	15,000
Book Debts (Estimated to produce ₹ 5,200)	30,000
Unsecured Creditors	6,200
Preferential Creditors	70,000
Creditors fully secured (value of securities ₹ 11,000)	2,000
Creditors partly secured (value of securities ₹ 6,000)	9,000
Bank Overdraft, secured by a second charge on all the assets of the company	10,000
10% Debentures secured by floating charge on all the assets of the company (interest paid to date)	8,000
Equity Share Capital—6,000 shares of ₹ 10 each	50,000
11% Preference Share Capital—6,500 shares of ₹ 10 each	60,000
Calls in Arrear on equity shares (Estimated to produce ₹ 1,000)	65,000
Make out Statement of Affairs as regards Creditors and Contributories.	2,500

Q7)

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On 31st March, 2013 ledger balances of H Ltd. and S Ltd. stood as follows :

Cr. Balances	H Ltd.	S Ltd.	Dr. Balances	H Ltd.	S Ltd.
	₹	₹		₹	₹
Share capital : Shares of ₹ 10 each, fully paid	5,00,000	2,00,000	Fixed Assets	3,17,600	2,04,000
Reserves	1,00,000	44,000	Current Assets	2,00,000	1,00,000
Creditors	80,000	60,000	60% Shares in S. Ltd. acquired on 31st March, 2013 (cost)	1,62,400	—
	<u>6,80,000</u>	<u>3,04,000</u>		<u>6,80,000</u>	<u>3,04,000</u>

Prepare a Consolidated Balance Sheet as at 31st March, 2013.