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Total No. of Pages : 03

Total No. of Questions : 07

B.Com.(P) (2011 &amp; Onward) (Sem.-4)

**CORPORATE ACCOUNTING – II**

Subject Code : BCOP-401

Paper ID : [B1140]

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains SIX questions carrying TEN marks each and students have to attempt any FOUR questions.

**SECTION-A****1) Write briefly :**

- a. Distinguish between external and internal reconstruction.
- b. What is amalgamation in the nature of merger?
- c. What is minority interest? a2zpapers.com
- d. Define post acquisition (Revenue) profit.
- e. What is B - list of contributories?
- f. What is deficiency account?
- g. Explain rebate on bill discounted.
- h. What are sub-standard assets?
- i. Explain additional reserve for unexpired risk.
- j. Explain bonus in reduction of premium.

**SECTION-B**

- 2) Prepare (*with imaginary figures*) revenue account of life insurance company.
  - 3) Define purchase consideration. Explain methods to calculate it by taking suitable examples.
  - 4) What do you mean by liquidation of a company? Describe the different modes of winding up.
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- 5) On 31<sup>st</sup> March, 2013 liabilities and assets of H Ltd. and its subsidiary S Ltd. stood as follows :

<b>Liabilities</b>	<b>H Ltd. Rs.</b>	<b>S Ltd. Rs.</b>	<b>Assets</b>	<b>H Ltd. Rs.</b>	<b>S Ltd. Rs.</b>
Equity Share Capital	8,00,000	2,00,000	Fixed Assets	5,50,000	1,00,000
General Reserve	1,50,000	70,000	75% Shares in S Ltd. (at cost)	2,80,000	–
Surplus A/c	90,000	55,000	Stock	1,05,000	1,77,000
Creditors	1,20,000	80,000	Other Current Assets	2,25,000	1,28,000
	<b>11,60,000</b>	<b>4,05,000</b>		<b>11,60,000</b>	<b>4,05,000</b>

Draw a Consolidated Balance Sheet as at 31<sup>st</sup> March, 2013 after taking into consideration the following information :

- a) H Ltd. acquired the shares on 31<sup>st</sup> July, 2012.
- b) S Ltd. earned a profit of Rs. 45,000 for the year ended 31st March, 2013. Give your working notes.
6. Shri Chopra is appointed liquidator of Moon Company Limited in voluntary liquidation on 1<sup>st</sup> July, 2013. Following balances are extracted from the books on that date :

<b>Cr. Balances</b>	<b>Rs.</b>	<b>Dr. Balances</b>	<b>Rs.</b>
Capital		Machinery	45,000
24,000 Shares of Rs. 5 each	1,20,000	Leasehold Properties	60,000
Reserve for Bad Debts	15,000	Stock-in-trade	1,500
Debentures	75,000	Book debts	90,000
Bank overdraft	27,000	Investments	9,000
Liabilities for Purchases	30,000	Calls-in-arrear	7,500
		Cash in hand	1,500
		Surplus Account (Negative Bal.)	52,500
	<b>2,67,000</b>		<b>2,67,000</b>

You are required to prepare a Statement of Affairs to be submitted in the meeting of the creditors. Following assets are valued as under :

	<b>Rs.</b>
Machinery	90,000
Leasehold Properties	1,09,000
Investments	6,000
Stock-in-trade	3,000

Bad Debts are Rs. 3,000 and the doubtful debts are Rs. 6,000 which are estimated to realise Rs. 3,000. The bank overdraft is secured by deposit of title deeds of leasehold properties. Preferential creditors are Rs. 1,500. Telephone rent outstanding is Rs. 120.

7. X Ltd. and Y Ltd. are two companies carrying on business in the same line of activity. Their assets and liabilities as on 31-3-2013 are given below :

<b>Liabilities</b>	<b>X Ltd. Rs.</b>	<b>Y Ltd. Rs.</b>	<b>Assets</b>	<b>X Ltd. Rs.</b>	<b>Y Ltd. Rs.</b>
Fully Paid-up Equity Shares of Rs. 10 each	6,00,000	2,00,000	Land & Buildings	1,00,000	–
General Reserve	4,00,000	2,00,000	Plant & Machinery	7,00,000	3,00,000
Secured Loan	6,00,000	1,00,000	Investments	1,00,000	–
Current Liabilities	6,00,000	4,00,000	Stock	9,00,000	4,00,000
			Debtors	3,00,000	1,00,000
			Cash at Bank	1,00,000	1,00,000
	<b>22,00,000</b>	<b>9,00,000</b>		<b>22,00,000</b>	<b>9,00,000</b>

The two companies decide to amalgamate in the nature of purchase into XY Ltd. Following further information is given :

- X Ltd. holds 8,000 shares in Y Ltd. @ Rs. 12-50 each.
- All assets and liabilities of the two companies, except investments are taken over by XY Ltd.
- Each share in Y Ltd is valued @ Rs. 25 for the purpose of amalgamation.
- Shareholders in X Ltd. and Y Ltd. are paid off by issuing to them sufficient number of equity shares of Rs. 10 each in XY Ltd. as fully paid up at par.
- Each share in X Ltd. is valued @ Rs. 15 for the purpose of the amalgamation.

Show journal entries to close the books of both the companies.