



K22P 1442

Reg. No. : .....

Name : .....

**III Semester M.Com. Degree (CBSS – Reg./Sup./Imp.)**  
**Examination, October 2022**  
**(2019 Admission Onwards)**

**COM3C12 : CORPORATE ACCOUNTING**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer any four questions in this Section. Each question carries 1 mark for part (a), 3 marks for part (b) and 5 marks for part (c).

1. a) Who is a Contributory ?  
 b) Write a note on amalgamation in the nature of merger ?  
 c) Financial statement of X Ltd. and Y Ltd. as on 31-3-2020

Liabilities	X Ltd. Rs.	Y Ltd. Rs.	Assets	X Ltd. Rs.	Y Ltd. Rs.
Share capital	10,00,000	6,00,000	Fixed asset	8,00,000	4,00,000
General reserve	1,00,000	80,000	Investment		
Creditors	2,00,000	1,20,000	12000 shares in Y Ltd.	1,60,000	
			10000 shares in X Ltd.		1,20,000
			Current asset	3,40,000	2,80,000
<b>Total</b>	<b>13,00,000</b>	<b>8,00,000</b>	<b>Total</b>	<b>13,00,000</b>	<b>8,00,000</b>

Prepare realization account.

2. a) What is double entry system ?  
 b) Who is a liquidator ? What are the functions of a liquidator ?  
 c) The following is the Balance Sheet of H Ltd. and S Ltd. as on 31-3-2021 :

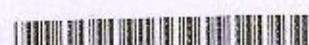
Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share capital	8,00,000	3,00,000	Fixed asset	6,50,000	3,20,000
Bills payable	3,50,000	1,60,000	Investment		
Creditors	40,000	20,000	24000 shares in S Ltd.	2,40,000	
			Current asset	3,00,000	1,60,000
<b>Total</b>	<b>11,90,000</b>	<b>4,80,000</b>	<b>Total</b>	<b>11,90,000</b>	<b>4,80,000</b>

Prepare consolidated Balance Sheet.

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3. a) What is cost of control ?  
 b) What is holding company ? What are the disadvantages of holding companies ?  
 c) Book value of assets : Plant – Rs. 96,000, Tools – Rs. 27,300, Stock – Rs. 42,500, Debtors – Rs. 53,400, R and D – Rs. 18,000, P and L – Rs. 98,000.  
 Assets to be revalued : Plant – Rs. 59,000, Tools – Rs. 15,000, Stock – Rs. 30,000, Debtors – Rs. 48,700, R and D and P and L to be written off.  
 Journalise the scheme of reorganisation.
4. a) Expand IRDA.  
 b) What is general insurance ? What are the different types of general insurance ?  
 c) What is statement of deficiency ? Illustrate the form of List H.
5. a) What do you mean by reinsurance ?  
 b) Explain the advantages of double account system ?  
 c) The Life Insurance Fund of Hindustan insurance company was Rs. 34,00,000 on 31-3-2018, Its actual valuation on this date disclosed a net liability of Rs. 28,80,000 an interim bonus of Rs. 40,000 was paid to the policy holders during the previous two years. It is now proposed to carry forward Rs. 1,10,000 and divide the balance sheet between the policy holders and shareholders. Show the net profit for the two year period and distribution of the profit.
6. a) What do you mean by intercompany holdings ?  
 b) How to treat goodwill appearing in the balance sheet of subsidiary company ?  
 c) Calculate NCI and cost of control.

Balance sheet of H Ltd. and S Ltd. as on 31-12-2020

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share capital	25,00,000	6,00,000	Fixed asset	20,40,000	6,00,000
General reserve	3,60,000	1,20,000	Investment		
P and L	2,40,000	1,80,000	40000 shares in S Ltd.	5,00,000	
Trade Creditors	3,50,000	1,00,000	Current asset	9,10,000	4,00,000
<b>Total</b>	<b>34,50,000</b>	<b>10,00,000</b>	<b>Total</b>	<b>34,50,000</b>	<b>10,00,000</b>



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**SECTION – B**

Answer the two questions in this section. Each question carries 12 marks.

7. a) Balance sheet of H Ltd. and S Ltd. as on 31-12-2020

Liabilities	Amount Rs.	Assets	Amount Rs.
Share Capital (10 each)	1,50,000	Freehold property	34,000
Preference share capital	1,00,000	Plant	96,000
7% Debentures	60,000	Tools	27,300
Accrued interest	4,200	Investment	15,000
Loan secured	20,000	Stock	42,500
Creditors	50,000	Debtors	53,400
		R and D	18,000
		P and L	98,000
<b>Total</b>	<b>3,84,200</b>	<b>Total</b>	<b>3,84,200</b>

The scheme of organization is given below :

- a) Land at book value of Rs. 6,000 and valued at Rs. 14,000 is taken over by debenture holders in part payment. The remaining property is valued at Rs. 40,000.  
 b) The investment valued at Rs. 22,000. To be taken over by loan creditors, Rs. 2,000 is refunded to company.  
 c) The creditor for Rs. 18,000 has agreed to accept new second mortgage debentures carrying interest @ 10 % p.a in settlement of 15,500, another creditor for 10,000 agrees to accept cash at discount of 15 %.  
 d) The equity shares are to be written down to Re 1 per share and preference shares to Rs 8 per share.  
 e) The cost of scheme amounting Rs. 3,500 to be paid and written off.  
 f) Equity share holders to subscribe and pay for two new shares of Re. 1 each for every one share held.  
 g) The scheme of organization approved by the court.

Assets to be revalued at Plant – Rs. 59,000, Tools – Rs. 15,000, Stock – Rs. 30,000, Debtors – Rs. 48,700, R and D and P and L to be written off.

Journalise entries and restate the balance sheet.

OR

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- b) Prepare Fire Insurance Revenue A/c as per IRDA regulations for the year ended 31 March 2017.

	Rs.
Claims paid	10,90,000
Legal expenses regarding claims	10,000
Premium received	17,50,000
Re insurance premium paid	1,00,000
Commission	2,00,000
Management expenses	3,00,000
Provision against unexpired risk	5,50,000
Claims unpaid 1-4-2016	50,000
Claims unpaid 31-3-2017	80,000

8. a) What is External reconstruction ? What are the accounting entries in the books of transferor and transferee company ?

OR

- b) A Ltd. Balance sheet as on 31-3-2020

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share capital	25,00,000	6,00,000	Fixed asset	20,40,000	6,00,000
General reserve	3,60,000	1,20,000	Investment		
P and L	2,40,000	1,80,000	40000 shares in S Ltd.	5,00,000	
Trade creditors	3,50,000	1,00,000	Current asset	9,10,000	4,00,000
<b>Total</b>	<b>34,50,000</b>	<b>10,00,000</b>	<b>Total</b>	<b>34,50,000</b>	<b>10,00,000</b>

At the time of acquisition of H Ltd. of its holding of 40,000 shares in S Ltd., the latter company had undistributed profit and reserve amounting to Rs. 10,000. Prepare the Consolidate balance sheet.