

Exam. Code : 108503
Subject Code : 2078

B.Com. 3rd Semester
CORPORATE ACCOUNTING

Paper—BCG-303

Time Allowed—3 Hours] [Maximum Marks—50

Note :— All questions are of equal marks. Attempt any **FIVE** questions, selecting at least **ONE** question from each Section. The **fifth** question can be attempted from any section.

SECTION—A

1. Write notes on the provisions of Companies Act regarding :
 - (i) Issue of shares at premium
 - (ii) Reissue of forfeited shares.
2. On 1st January 2014 a Limited Company issued 1000, 12% debentures of Rs. 100 each at par repayable at 2% premium. Holders of these debentures have an option to convert their debentures into equity shares of Rs. 10 each at a premium of Rs. 2 per share, within one year.

At the end of the first year interest for one year has accrued and remained unpaid. On that date a debentureholder of 200 debentures notified his intention to convert his debentures into equity shares. Pass necessary journal entries.

SECTION—B

3. What is purchase consideration ? Give methods of calculating it.
4. Discuss the provision of capital reduction as contained in the Companies Act.

SECTION—C

5. In which business can a banking company engage ? Differentiate between CRR and SLR.
6. From the following information prepare Profit and Loss Account of Thrifty Bank for the year ended 31st March, 2016 :

	Rs. (000)		Rs. (000)
Interest on loans	2590	Interest on overdrafts	1540
Interest on Fixed Deposits	3170	Director's fees, allowances and expenses	30
Commission	82	Auditor's fees and expenses	12
Payment to employees	540	Interest on saving bank deposits	680
Discount on bill discounted	1060	Postage, telegram and telephones	14
Interest on cash credits	2230	Printing and stationery	29
Rent, taxes and lighting	180	Sundry charges	17

Additional information :

- (1) Provide for commission Rs. 2,00,000
- (2) Transfer Rs. 15,57,000 to Reserve Fund
- (3) Transfer Rs. 2,00,000 to Central Government.

SECTION—D

7. What is the purpose of creating reserve for unexpired risk ? State its accounting treatment.
8. The Chartered Life Assurance Ltd. had a paid up capital of Rs. 4,00,000 divided into 40,000 shares of Rs. 10 each. Its net liability on all contracts in force as on 31-3-2016 was Rs. 42,00,000 and on 31-3-2015 this liability was 37,00,000. From the following figures extracted from its books for the year ended 31-3-2016 prepare revenue account. The company has paid an interim bonus of Rs. 1,25,000 and 30% of the surplus is to be allocated to shareholders, 15% the Catastrophe reserve and the balance being carried forward.

	Rs.		Rs.
Life fund	40,00,000	Commission	45,000
Premium less insurance premiums	15,00,000	Surrenders	95,000
Interest, dividend and rent	9,00,000	Surplus of revaluation of reversions	7,000
Fines and fees	5,000	Re-assurances irrecoverable	2,000
Income tax	1,28,000	Claims less reinsurance claims	9,90,000
Management expenses	1,25,000	Consideration for annuities granted	50,000
Annuities paid	15,000		