

| | Rs. |
|--|-----------|
| Annuities | 29,420 |
| Bonus paid in cash | 9,450 |
| Bonus paid in reduction of premiums | 2,500 |
| Preliminary expenses balance | 600 |
| Claims admitted but not paid at the end of the year | 10,034 |
| Annuities due but not paid | 2,380 |
| Capital paid up | 14,00,000 |
| Government securities | 24,90,890 |
| Sundry fixed assets | 4,19,110 |

Prepare Revenue Account and the Balance Sheet after taking into account the following :

- (a) Claims covered under reinsurance Rs. 10,000 — by death
- (b) Further claims intimated Rs. 8,000 — by death
- (c) Further bonus utilized in reduction of premium, Rs. 1,500
- (d) Interest Accrued, Rs. 15,400
- (e) Premiums outstanding, Rs. 7,400

Exam. Code : 108503
Subject Code : 2000

B.Com. 3rd Semester (Batch 2020-23)

BCG-303 : CORPORATE ACCOUNTING

Time Allowed—3 Hours] [Maximum Marks—50

Note :— All questions are of equal marks. Attempt any *five* questions, selecting at least *one* from each section. Question **fifth** can be attempted from any section.

SECTION—A

1. Write notes on :
 - (a) Buy back of equity shares
 - (b) Balance Sheet under Companies Act.
2. A limited company issued a prospectus inviting applications for 2000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows :
On application Rs. 2; On allotment Rs. 5 (including premium); On first call Rs. 3 and on second call Rs. 2.
Applications were received for 3000 shares and allotments were made pro rata to the applicants for 2400 shares, the remaining applications being refused. Money overpaid on applications employed on account of sums due on allotment.

X to whom 40 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited. Y, the holder of 60 shares failed to pay the two calls, and his shares were forfeited after the second call had been made.

Of the shares forfeited, 80 shares were sold to Z, credited as fully paid for Rs. 9 per share, the whole of X's shares being included.

Show Journal entries.

SECTION—B

3. Differentiate between :
- Alteration of Share Capital and Capital Reduction
 - External Reconstruction and Internal Reconstruction
4. The Balance Sheet as on 31st March 2016 of X Ltd. and Y Ltd. are as under :

| I | Particulars | X Ltd. | Y Ltd. |
|-------------------------------|-------------|-----------|-----------|
| | | Rs. | Rs. |
| EQUITY AND LIABILITIES | | | |
| Shareholder's funds | | | |
| Share Capital : | | | |
| Authorised and subscribed; | | | |
| Equity shares of Rs. 100 each | | | |
| fully paid | | | |
| | | 60,00,000 | 20,00,000 |

| | | | |
|--------------------------------|-----------|-----------|-----------|
| Reserves and Surplus : | | | |
| General Reserve | 8,00,000 | 1,00,000 | |
| Statement of Profit and Loss | 4,80,000 | 1,40,000 | |
| Capital Reserve | — | 2,00,000 | |
| NON CURRENT LIABILITIES | | | |
| Long term borrowings : | | | |
| Unsecured : | | | |
| 12% Debentures | — | 12,00,000 | |
| CURRENT LIABILITIES | | | |
| Trade payables : | | | |
| Creditors | 9,60,000 | 3,80,000 | |
| Total | | 82,40,000 | 40,20,000 |
| II ASSETS | | | |
| Non-current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | | | |
| Building | 20,00,000 | — | |
| Machinery | 26,00,000 | 16,80,000 | |
| Furniture | 40,000 | 20,000 | |
| Expenditure on new project | — | 3,00,000 | |
| Intangible Assets | | | |
| Goodwill | — | 4,00,000 | |
| Current Assets | | | |
| (a) Inventories : | | | |
| Stock | 16,00,000 | 7,20,000 | |

| | | |
|--------------------------------|------------------|------------------|
| (b) Trade receivables : | | |
| Debtors | 9,20,000 | 7,20,000 |
| (c) Cash and cash equivalent : | | |
| Cash in hand | 2,80,000 | 20,000 |
| Bank balance | 8,00,000 | 1,60,000 |
| Total | 82,40,000 | 40,20,000 |

Y limited was absorbed by X limited on 1st April, 2016 on the following terms :

- Fixed assets other than Goodwill to be valued at Rs. 20,00,000 including Rs. 24,000 for furniture.
- Stock to be reduced by Rs. 80,000 and debtors by 5%.
- X limited to assume liabilities and to discharge the 12% debentures by issue of 11% debentures of the same value and in addition a premium of 6% was paid in cash.
- The new project to be valued at Rs. 3,80,000
- The shareholders of Y Ltd. to receive cash payment of Rs. 30 per share plus four equity shares in X Ltd. for every five shares held in Y Ltd.
- Both the companies to declare and pay dividend of 6% prior to absorption.
- Expenses of liquidation of Y Ltd. are to be reimbursed by X Ltd. to the extent of Rs. 20,000. The actual expenses amounted to Rs. 24,000.

Prepare necessary ledger accounts in the books of Y Ltd. and prepare the Balance Sheet of X Ltd. after absorption assuming that X Ltd. authorized capital has been increased to Rs. 80,00,000.

SECTION—C

- What are NPAs ? How are advances classified ? What are the provisioning norms for NPAs ?
- From the following information, prepare Balance Sheet of City Bank as on 31st March, 2018, giving the relevant schedules :

| Debit Balances | Amount (Rs. in Lakhs) |
|-------------------------------------|--------------------------|
| Current Accounts | 28.0 |
| Cash Credits | 812.10 |
| Cash in Hand | 160.15 |
| Cash with RBI | 37.88 |
| Cash with other Banks | 155.87 |
| Money at Call | 210.12 |
| Gold | 55.23 |
| Govt. Securities | 110.17 |
| Premises at Cost Less Depreciation | 155.70 |
| Furniture at Cost Less depreciation | 70.12 |
| Term Loans | 792.88 |
| Total | 2,588.22 |

| Credit Balances | Amount (Rs. in Lakhs) |
|---|--------------------------|
| Share Capital (19,80,000 shares of Rs. 10 each) | 198.00 |
| Statutory Reserve | 231.00 |
| Net Profit before Appropriations | 150.00 |
| Profit and Loss Account | 412.00 |
| Fixed Deposit Account | 517.00 |
| Current Account | 520.12 |
| Bills Payable | 00.10 |
| Borrowing from other Banks | 110.00 |
| Saving Deposit Account | 450.00 |
| Total | 2,588.22 |

| | Rs. |
|---|-----------|
| Bills for collections | 18,10,000 |
| Acceptances and Endorsements | 14,12,000 |
| Claims against the banks not acknowledged as Debt | 55,000 |
| Depreciation Accumulated : | |
| Premises | 1,10,000 |
| Furniture | 78,000 |

50% term loans are secured by government guarantees. 10% of cash credits is unsecured. Also calculate cash reserves required and Stationary liquid reserve required. Note : Cash reserve required 3% of demand and time liabilities; Liquid reserve required 30% of demand and time liabilities.

SECTION—D

7. Write notes on :
- Annuities
 - Claims
 - Reinsurance
 - Surrender value.
8. The undermentioned balances form part of the Trial Balance of the All People's Assurance Co. Ltd., as on 31st March 2016 :

| | Rs. |
|--|-----------|
| Amount of Life Insurance Fund at the beginning of the year | 14,70,562 |
| Claims by death | 76,980 |
| Claims by Maturity | 56,420 |
| Premiums | 2,10,572 |
| Expenses of Management | 19,890 |
| Commission | 26,541 |
| Consideration of annuities granted | 10,712 |
| Interests, dividends and rents | 52,461 |
| Income tax paid on profits | 3,060 |
| Surrenders | 21,860 |