



K23U 1068

Reg. No. : .....

Name : .....

**IV Semester B.Com. Degree (CBCSS – OBE-Regular/Supplementary/  
Improvement) Examination, April 2023  
(2019 Admission Onwards)**

**Core Course**

**4B 05 COM : CORPORATE ACCOUNTING**

Time : 3 Hours

Max. Marks : 40

**PART – A**

Answer **any six** questions from the following. **Each** question carries **1** mark.

1. What are current assets ?
2. What is proposed dividend ?
3. What is Capital Reduction Scheme ?
4. What do you mean by provision ?
5. What do you mean by external reconstruction ?
6. Explain the concept consolidation of shares.
7. Explain securities premium.
8. Explain the term preferential creditors.

**(6×1=6)**

**PART – B**

Answer **any six** questions from the following. **Each** question carries **3** marks.

9. What is net payment method of purchase consideration ?
10. What do you mean by contributory ? Describe the various types of contributories.

P.T.O.



11. X acquired the business of Y Ltd. for which X Ltd. pays Rs. 4,00,000 in equity shares of Rs. 10 each, Rs. 3,00,000 in 15% debentures of X Ltd. and Rs. 3,50,000 in cash. Creditors for Rs. 1,50,000 and employees' security deposit Rs. 30,000 are also assumed by X Ltd. Calculate Purchase Consideration.
12. What are the features of IFRS ?
13. What is profit prior to incorporation ?
14. Explain the concept over subscription of shares.
15. Define Accounting Standard. Explain its objectives.
16. Write the accounting entries in the books of purchasing company in the case of amalgamation. **(6×3=18)**

### PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. What do you mean by liquidation of a company ? Describe the different modes of winding up.
18. Prepare new format of statement profit and loss of a company.
19. The AB Company Ltd. and BC Company Ltd. decided to amalgamate and a new company ABC Company Ltd. is formed to take over both the companies as on 31<sup>st</sup> March 2022.

<b>Liabilities</b>	<b>AB Co.</b>	<b>BC Co.</b>	<b>Assets</b>	<b>AB Co.</b>	<b>BC Co.</b>
Equity shares of			Goodwill	10,00,000	8,00,000
Rs. 10 each fully paid	50,00,000	30,00,000	Land and		
Bank overdraft	–	5,00,000	Buildings	25,00,000	19,00,000
Sundry creditors	10,00,000	12,00,000	Plant and		
Bills payable	5,00,000	3,00,000	Machinery	20,00,000	25,50,000



Reserve fund	22,00,000	15,00,000	Patents	–	5,25,000
Dividend			Stock	20,00,000	15,00,000
Equalisation fund	–	10,00,000	Sundry debtors	10,00,000	5,00,000
Profit and Loss			Bills Receivable	–	2,25,000
Account	3,00,000	5,00,000	Cash at Bank	5,00,000	–
	<b>90,00,000</b>	<b>80,00,000</b>		<b>90,00,000</b>	<b>80,00,000</b>

The following is the accepted scheme of valuation of business of the two companies :  
AB Ltd. :

- a) Create provision for bad debts @ 5% on debtors
- b) Write-off Rs. 50,000 from Plant and Machinery
- c) Write-off 10% of stock

BC Ltd. :

- a) Write-off plant and machinery by Rs. 50,000
- b) Write-off patent by Rs. 25,000
- c) Create provision for bad debts @ 10% on debtors

You are required to compute purchase consideration for both the companies.

**(2×8=16)**

