



K17U 0670

Reg. No. :

Name :

IV Semester B.B.A. Degree (CBCSS – Reg./Supple./Imp.)
Examination, May 2017
(2014 Admn. Onwards)
Core Course
4B08 BBA : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** question carries $\frac{1}{2}$ mark.

1. What do you mean by scrip dividend ?
2. What is the value obtained by dividing net assets available to equity shareholders by the no. of equity shares ?
3. What is interim dividend ?
4. What is reserve capital ?

(4x $\frac{1}{2}$ =2)

PART – B

Answer **any four** questions. **Each** question carries 1 mark.

5. What is net payment method ?
6. What is alteration of capital ?
7. What is surrender of shares ?
8. What is TDS ?
9. What is consolidation of share capital ?
10. What is meant by absorption of company ?

(4x1=4)

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PART - C

Answer any six questions. Each question carries 3 marks.

11. State the procedures to be followed for the reduction of share capital.
12. Give Journal Entries for the following transactions in connection with internal reconstruction.
 - 1) 10,000 equity shares of Rs. 10 fully paid reduced to shares of Rs. 5 each fully paid.
 - 2) 100, 8% debentures of 1000 each converted into 500, 6% debentures of 100 each.
 - 3) The debit balance of P and L Account Rs. 50,000 and the preliminary expenses Rs. 10,000 were written off.
 - 4) Value of plant and machinery and stock written down by Rs. 20,000 and Rs. 10,000 respectively.
13. Give an imaginary form of P and L Appropriation Account of a limited company.
14. How can secret reserve be created ?
15. Distinguish between amalgamation and external reconstruction.
16. What are the advantages of amalgamation ?
17. What is internal reconstruction ? How it is done ?
18. A company has equity share capital of Rs. 10,00,000 consisting 10000 shares of Rs. 100.
 - a) It is resolved to sub divide the shares into shares of Rs. 10 each.
 - b) To ask the shareholders to surrender 50% of their shares.
 - c) To issue 60% of the surrendered shares to 15% debenture holders of Rs. 4,00,000 in full settlement of their claims.
 - d) To cancel the unissued surrendered shares.

(6×3=18)

Give entries in the books of the Company.



PART - D

Answer **any two** questions. **Each** question carries **8** marks.

19. Differentiate between amalgamation in the nature of merger and amalgamation in the nature of purchase.

20. The following is the Trial Balance of S Ltd. as on 31st Dec. 2014.

	Rs.	Rs.
Debtors and Creditors	2,50,000	2,00,000
Purchases and Sales	6,47,000	9,83,500
Returns	4,700	3,500
Fixed asset at cost	15,97,900	-
Promotion expenses	13,520	-
Share capital (Rs. 100 shares)	-	12,50,000
Sinking Fund	-	2,50,000
Reserve Fund	-	47,600
Bad debts reserve	-	10,000
Cash	17,750	-
Manufacturing expenses	21,000	-
Wages	75,000	-
Unclaimed dividends	-	1,700
Interest on investments	-	11,400
Depreciation	70,000	-
Administrative expenses	34,680	-
4% Debentures	-	3,00,000
Interest on debentures	6,000	-
Sales expenses	8,000	-
Bad debts	3,400	-

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Depreciation Fund		
Bills Payable	-	2,02,400
P and L A/c	-	9,300
Investments	-	10,600
Sundry expenses	3,50,000	-
Stock on 1 st Jan.	1,050	-
Goodwill at cost	1,30,000	-
	50,000	-
	32,80,000	32,80,000

Adjustments:

- Closing Stock amounted to Rs. 1,37,000.
- Maintain the reserve for debtors at 5%.
- Write off preliminary expenses.
- Add Rs. 10,000 to Sinking Fund.
- Provide for debenture interest.

Prepare the Trading and Profit and Loss Account and the Balance Sheet.

21. The Balance Sheet of A Ltd. as on Dec. 31st 2014 was as follows :

Liabilities		Rs.	Assets		Rs.
Share capital			Fixed Assets		90,000
100000 shares			Current Assets		10,000
of Re. 1 each	1,00,000		P and L A/c		20,000
Sundry liabilities	20,000				
	1,20,000				1,20,000

B Ltd. absorbed the A Ltd. and took over all the assets for Rs. 72,000 payable Rs. 50,000 in shares of Re. 1 each and Rs. 22,000 in cash (in order to enable A Ltd. to pay off its liabilities and cost of winding up).

Prepare Realisation A/c, Shareholders A/c and Cash A/c in the books of A Ltd.

(2x8=16)