

QP CODE: 25020276



Reg No : .....

Name : .....

**BFM DEGREE (CBCS) ) REGULAR/ IMPROVEMENT/ REAPPEARANCE / MERCY  
CHANCE EXAMINATIONS, FEBRUARY 2025**

**Fourth Semester**

Bachelor of Financial Markets

**Core Course - FM4CRT12 - CORPORATE ACCOUNTING –II**

2017 Admission Onwards

3DD61249

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is claim?
2. What is annuity?
3. Mention the items to be included in the Schedule No. 3 of Life Insurance Company.
4. Discuss the term 'slip system of posting'.
5. What is rebate on bills discounted?
6. State four objectives of internal reconstruction.
7. Pass journal for consolidation of 40,000; 14% preference shares of Rs. 25 each , fully paid into 10,000 15% preference shares of Rs. 100 each.
8. What is the journal entry for the assets taken over in the books of Transferee Company?
9. What are the main objectives of External Reconstruction?
10. What do you mean by Absorption?
11. What is Compulsory Winding Up?
12. What is Statement of Affairs?

(10×2=20)

**Part B**

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. What are the types of life insurance policies?





14. On 31.03.2019, the Life Assuaranvce Fund of XY Life Assurance Company stood at Rs.1,48,60,000. Its net liability as per actuarial valuation as on that day was Rs.86,00,000. A dividend of Rs.8,00,000 was payable to the shareholders of the year 2018-19. But an interin bonus of Rs.4,50,000 was paid to the policy holders during the two year period ending 31.03.2019.  
Prepare statements showing the amount now available as bonus to the policy holders.
15. Explain the asset classification of a banking company.
16. The following agreement was made in the reconstruction of Amith Company Ltd., the shareholders had agreed to receive the following in exchange for 50,000 shares of Rs. 10each held by them:

1. Fully paid equity shares of Rs. 10 each up to the extent of  $\frac{2}{5}$  of the present holdings
2. 5% preference shares of Rs.10 each to the extent of  $\frac{1}{5}$  of the above new equity shares.
3. 6% debentures for Rs. 60,000.

Further , 5% debentures for Rs. 50,000 had been issued to the public and the company has received the cash .Goodwill Rs. 3,00,000 reduced to Rs. 1,50,000, machinery from Rs. 1,00,000 to 75,000 and leasehold premises from Rs. 1,50,000 to 1,25,000. Give necessary journal entries.

17. A public Ltd. Co. passed necessary resolution and received the sanction of the court for reduction of capital by Rs. 5,00,000. It decided to:
- a) Write of the losses of Rs. 2,10,000 , plant and machinery Rs. 90,000, goodwill Rs.40,000,and investment Rs. 8,000.
  - b) The reduction was made by converting 50,000 preference shares of R. 20 each fully paid to the same number of shares of Rs. 15 each fully paid and 50,000 equity shares of Rs. 10each fully paid to the same number of shares of Rs. 5 each fully paid . Prepare capital reduction account.
18. Explain the merits of Amalgamation.
19. Explain the context when amalgamation in the nature of purchase and amalgamation in the nature of merger are suitable.
20. Given below the extracts of the Balance Sheet of STD Ltd. as at 31.03.2018.

Particulars	Amount (Rs )
Equity Share Capital of Rs 10 each	50,000
10% Preference Share Capital	15,000
15% Debentures	8,000





Trade payables	9,000
Reserves and Surplus	28,000
Assets	48,000
Intangible Assets	22,000
Inventory	20,000
Receivables	11,000
Cash Equivalents	9,000

Manj Ltd. agrees to take over STD Ltd. Calculate Purchase consideration on the basis of the information such as Good will is revalued at Rs 15,000/-, Assets are valued at Rs 55,000/- Inventories revalued at Rs 14,000/- and the receivables at book value. STD Ltd. takes over the cash balances and agree to assume the liability of Trade payables at Rs 5,000/-

21. Distinction between Liquidation and Insolvency.

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. On 31.03.2019 the trial balance of a General Insurance Company was as follows:

	Dr.	Cr.
Fire Fund on 01.04.2018		12,20,000
Fire premium		3,40,000
Marine Fund on 01.04.2018		18,40,000
Marine premium		7,12,000
Management expenses-		
Fire	75,000	
Marine	95,000	
Interest, dividend etc.		2,47,000
Investment reserve fund		72,000
Claims paid and outstanding-		
Fire	1,22,000	
Marine	1,07,000	
Provident fund		92,000
Transfer fees		3,000
Profit and loss appropriation account		1,22,000
Audit fees	4,000	
Directors fees	7,000	





Motor	24,000	
Preference share capital (10,000 shares of Rs.100 each, Rs.80 paid)	8,00,000	
Equity share capital (50,000 shares of Rs.50 each, Rs.40 paid)	20,00,000	
Forfeited shares account		7,000
Fire claims outstanding		21,000
Marine claims outstanding		17,000
Sundry creditors		22,000
Debtors for premium due	7,000	
Fire claims recoverable	9,000	
Furniture (cost Rs.90,000)	80,000	
Taxes	27,000	
Reserve fund		2,27,000
Commission-		
Fire	22,000	
Marine	27,000	
Investments	60,00,000	
Cash	31,000	
Bank	1,50,000	
Land and buildings	10,00,000	
Amount due to other offices		57,000
Debt due from other offices	<u>12,000</u>	
	<u>77,92,000</u>	<u>77,92,000</u>

Depreciate furniture by 10% on the original cost and motor car by 15%. Provide 40% on premium for unexpired risk and Rs.7,000 for investment reserve fund in addition to the existing balance.

Prepare Revenue Account of Fire and Marine Departments, Profit and Loss Account and Balance Sheet.

23. The following figures extracted from the books of IND Bank Ltd as on 31st March 2018. Prepare Profit and Loss Account of the bank (All figures in Rupees)

Interest and Discount received	2500000
Interest paid on deposits	1300000
Commission & Brokerage	480000
Rent received	80000
Profit on sale of investments	40000
Loss on sale of investments	10000
Salaries	720000
Directors fees	60000
Rent and taxes paid	48000





Printing and stationery	24000
postage	10000
other expenses	8000
Audit fee	6000
Depreciation on bank's property	30000
Balance of profit as on 1st April 2017	480000

Other information.

- 1) Provide Rs 30,000 for doubtful debts
- 2) Provide Rs 1,20,000 for taxation
- 3) Rebate on bills discounted on 31-3-2018-- Rs. 80,000
- 4) Provide 10% dividend proposed on the paid up capital of Rs 20,00,000

24. The following is the Balance Sheet of Delta Ltd. as on 31st March 2017.

Liabilities	Amount	Assets	Amount
Share capital ( 10each )	240000	Land & Building	185000
Creditors	50000	Plant and Machinery	75000
Long term loan	48000	Stock	45500
		Debtors	27000
		Profit and Loss Account	5500
	<b>338000</b>		<b>338000</b>

The company went in to liquidation and the assets were sold to Vega Ltd. for Rs 225000/-. The consideration was payable as Rs 115000/- in cash and the balance amount by the allotment of shares of Rs 10/- each, Rs 7.5/- per share paid up to the share holders of Delta Ltd. Close the books of Delta Ltd. by passing all the necessary journal entries and prepare Realization Account, Bank Account and Shareholders' Account.

25. AB Ltd went into liquidation with the following liabilities: -

- Secured creditors            ₹ 25,000 (securities realized ₹ 30,000)
- Preferential creditors      ₹ 5,000
- Unsecured creditors        ₹ 25,500
- Liquidation expenses      ₹ 2521.

Liquidator's remuneration- 2% on the amount realized and 1% on the amount distributed to unsecured creditors. ₹26,000 were realized from various assets and this amount does not include those securities which are with the secured creditors. Prepare Liquidator's Final Statement of Account.

Liquidator is entitled for remuneration on the amount realized on all assts including those which are with the secured creditors.

(2×15=30)

