



SN – 591

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III Semester B.Com. Examination, November/December 2014  
(2013-14 & Onwards) (New Syllabus) (F+R)  
Commerce

3.3 : CORPORATE ACCOUNTING

Time : 3 Hours

Max. Marks : 100

**Instruction:** Answers should be written **completely** either in **English** or in **Kannada**.

SECTION – A

Answer **any ten** sub-questions. **Each** sub-question carries **two** marks. (10×2=20)

1. a) Give the meaning of acquisition of business.
- b) Give the journal entry for the discharge of purchase consideration in the books of the company.
- c) What is time ratio ? Give an example.
- d) Mention any two expenses charged only to post incorporation period.
- e) Mention any two circumstances necessitating the valuation of goodwill.
- f) What do you mean by 'maintainable profits' ?
- g) Given, closing capital employed Rs. 5,00,000 and net profit for the current year is Rs. 2,25,000, what is the average capital employed ?
- h) How do you calculate the value of shares (face value same) when they are differently paid ?
- i) State any four reasons for valuation of shares.
- j) What is meant by 'contingent liability' ? Give an example,
- k) What do you mean by calls-in-arrears ?

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- l) State under what heading the following items will appear in the balance sheet of a company :
- i) Fixed deposits accepted from public
  - ii) Securities premium
  - iii) Proposed dividend
  - iv) Calls-in-advance.

## SECTION – B

Answer **any four** of the following. **Each** question carries **eight** marks. (4×8=32)

2. X Ltd. was formed to take over the running business of M/s X & Y who shared profits in the ratio of 3 : 2. Their Balance Sheet as on 31-3-2014 was as follows :

Liabilities	Rs.	Assets	Rs.
Creditors	20,000	Buildings	42,000
Bills Payable	10,000	Machinery	20,000
Mrs. X's loan	4,000	Stock	22,000
X's Capital	60,000	Debtors	28,000
Y's Capital	40,000	Goodwill	15,000
		Investments	5,000
		Cash	2,000
	<b>1,34,000</b>		<b>1,34,000</b>

The company agreed to take over the assets excluding investment as under : Machinery Rs. 15,000; Buildings Rs. 60,000; Stock Rs. 20,000; Cash Rs. 2,000; Debtors Rs. 25,000 and Goodwill Rs. 20,000. The company also agreed to take over the creditors and bills payable at book values. The purchase consideration was settled by the issue of 10,000 equity shares of Rs. 10 each and the balance in cash, shares being distributed in profit sharing ratio to partners.

You are required to pass the journal entries in the books of the company.

