



US – 482

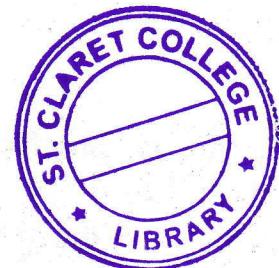
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IV Semester B.Com. Examination, May 2017  
(Prior to 2013-14) (Repeaters)  
**COMMERCE**  
**Paper – 4.3 : Corporate Accounting – II**

Time : 3 Hours

Max. Marks : 100

**Instruction : Answer all Sections.**



**SECTION – A**

1. Answer **any ten** of the following. **Each** question carries **two marks** : **(10x2=20)**
- a) What is meant by secured creditors ?
  - b) What do you mean by Amalgamation of companies ?
  - c) State the types of voluntary winding up.
  - d) What is meant by intangible asset ? Give an example.
  - e) State any 2 objectives of Amalgamation.
  - f) How do you treat the liabilities not taken by the transferee company under absorption ?
  - g) What is meant by external reconstruction ?
  - h) Define purchase consideration.
  - i) Who is a liquidator ?
  - j) Mention any two examples of statutory reserves.
  - k) What are preferential creditors ? Give an example.
  - l) Give the meaning of free hold property.

## SECTION - B

(5x5=25)

Answer any five questions. Each carries 5 marks :

2. Give the grounds for compulsory winding up of company.

3. Calculate liquidator's remuneration :

Balance of cash after paying preferential creditors Rs.4,10,000/-

Other unsecured creditors Rs.4,78,000/-

Liquidator's remuneration 3% on the amounts paid to other unsecured creditors.

Also state the amount paid to unsecured creditors.

4. Calculate the purchase consideration :

a) Total asset at book value = Rs. 1,25,000/-

b) Asset taken over at 10% less than book value

c) Total liabilities Rs. 50,000/-

d) Liabilities not taken over Rs. 12,500/-

e) Liquidation expenses Rs. 2,500/- is to be borne by purchasing Co.

5. Who are preferential creditors under the Companies Act ?

6. Distinguish between internal reconstruction and external reconstruction of companies.

7. Write the Journal entries for the settlement of purchase consideration in the books of purchasing company from following details.

Purchase consideration Rs. 5,00,000/- which is settled by issue of 40,000 equity shares of Rs. 10 each at premium of 25%.



8. Given below is the Balance Sheet of Geo Ltd. as on 31<sup>st</sup> Dec. 2016.

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
5000, 8% preference shares of Rs. 10/- each	50,000	Goodwill	1,00,000
5,000 equity shares of Rs. 10/- each	50,000	Building	4,000
Creditors	18,000	Plant	5,000
Bank overdraft	20,000	Debtors	1,200
		Stock	22,000
		Preliminary Expenses	3,000
		P and L A/c	2,500
		Cash	300
	1,38,000		1,38,000

The following scheme of reconstruction was adopted :

- 1) Rs. 10 preference shares were to be reduced to an equal number of fully paid shares of Rs. 8 each.
- 2) Rs. 10 equity shares were to be reduced to an equal number of fully paid shares of Rs. 5 each.
- 3) Creditors agreed to fore go Rs. 8,000/-.
- 4) The amount available was to be utilised to preliminary expenses and P and L A/c and the balance to be written off goodwill.

Pass Journal entries.

9. From the following details prepare liquidators Final Statement of account.

<b>Assets</b>	<b>Rs.</b>	<b>Liabilities</b>	<b>Rs.</b>
Land and Building	3,00,000	Debentures	4,00,000
Plant and machinery	1,80,000	Creditors	2,30,000
Furniture	60,000		
Stock and Debtors	40,000		
Cash	5,000		

The assets other than land and building realised 10% less land and building realised 25% more. Liquidation expenses Rs. 2,500.

Liquidators remuneration is 2% on asset realised (except cash) and 3% on amount distributed to unsecured creditors.



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**SECTION – C**

**(3×15=45)**

**Answer any three questions. Each question carries fifteen marks.**

10. Sony Ltd. and Tony Ltd. carrying on similar business decided to amalgamate and a new company Tony-Sony is to be formed to take over the assets and liabilities of both the companies and it is agreed that fully paid equity shares of Rs. 100 each shall be issued by the new company to the value of net assets of each of old companies

**Balance Sheet as on 31-3-2016**

<b>Liabilities</b>	<b>Sony Ltd.</b>		<b>Tony Ltd.</b>		<b>Assets</b>		<b>Sony Ltd.</b>	<b>Tony Ltd.</b>
	<b>Rs.</b>	<b>Rs.</b>						
Eq. shares of Rs. 50 each	50,000	40,000			Goodwill		5,000	2,000
General reserve	20,000	–			Land and building	17,000	10,000	
P and L A/c	3,000	–			Plant and machinery	24,000	16,000	
Creditors	4,000	8,000			Furniture		5,000	7,500
B/P	4,000	–			Stock		10,000	7,500
Bank overdraft	–	8,000			Cash		8,000	300
					Debtors		12,000	7,000
					P and L A/c		–	5,700
	<b>81,000</b>	<b>56,000</b>					<b>81,000</b>	<b>56,000</b>

All tangible assets are taken over at book value and goodwill of Sony Ltd. is to be valued at Rs. 12,000 while that of Tony Ltd. is nil.

Prepare necessary ledger accounts in the books of both the companies.



11. Ankur Ltd. plans for external reconstruction to come out of huge financial disorders. The Balance Sheet of the company on 31-12-2016 was as follows :

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
2,00,000 Eq. shares of Rs. 10/- each	20,00,000	Fixed Assets	20,00,000
Bank overdraft	10,00,000	Current assets	12,00,000
Sundry creditors	12,00,000	Cash	1,20,000
Bills payable	20,000	P and L A/c	9,00,000
	<b>42,20,000</b>		<b>42,20,000</b>

The scheme of reconstruction was as follows :

- 1) The new company shall have an authorised capital of Rs. 40,00,000 in equity shares of Rs. 10 each. The company agreed to take assets and liabilities of Ankur Ltd.
- 2) Sundry creditors were paid 80% of their claims in shares of new company of Rs. 10 each in final settlement.
- 3) Fixed assets and current assets were revalued at Rs. 25,00,000 and Rs. 13,00,000 respectively by new company.
- 4) Each share holder of Ankur Ltd. shall receive one new share of Rs. 10 each in the new company.
- 5) New company also made a fresh issue of its shares to the extent of Rs. 50,000 shares of Rs. 10/- each to the public, the amount so received was utilised to pay off 50% of the BOD. The amount on public issue was duly received by the company.
- 6) Liquidation expenses which amounted Rs. 20,000 and B/P Rs. 20,000 was paid fully by the new company.

Give opening journal entries and the Balance Sheet in the new company's books after reconstruction.



12. X Ltd. went into voluntary liquidation on 31-3-2016 on which date its Balance Sheet showed the following figures.

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
6250, 6% cumulative pf shares of Rs. 100 each fully paid	6,25,000	Sundry assets	17,00,000
4,000 eq. sh. of Rs. 100 each		Cash	80,000
Rs. 60 paid	2,40,000	P and L A/c	4,30,000
8,000 eq. shares of Rs. 100 each			
Rs. 70 paid	5,60,000		
5% mortgage debentures	4,00,000		
Creditors	3,85,000		
	22,10,000		22,10,000

Sundry assets realised 70% of their book value. Liquidator is entitled to a remuneration of 3% on assets realised excluding cash and 4% on amount distributed to unsecured creditors other than preferential creditors of the total creditors Rs. 2,25,000 is secured and Rs. 30,000 is preferential. The preference dividend were in arrears for 2 years and are payable on liquidation. Liquidation expenses Rs. 35,000.

Prepare liquidators Final Statement of Account.

13. On 31-3-2016 the Balance Sheet of Sajith Ltd. was as follows :

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
12500 Eq. shares of Rs. 10/- each	1,25,000	Goodwill	6,250
General reserve	62,500	Other fixed assets	43,750
Current liabilities	37,500	Bank	12,500
		Other current assets	1,62,500
	2,25,000		2,25,000



Sajith Ltd. is absorbed by Janith Ltd. on following terms :

- 1) Janith Ltd. to take over the assets except bank balance and the liabilities at 10% less than book values.
  - 2) The consideration is to be discharged by Janith Ltd. in the form of equity shares of Rs.10 each at a premium of Rs. 2.50 per share. Show ledger accounts in the books of Sajith Ltd. and give the journal entries in the books of Janith Ltd.
14. Balance Sheet of Way To Wealth Ltd. as on 31-3-2016 was as follows :
- | Liabilities                            | Rs.       | Assets            | Rs.       |
|--|-----------|-------------------|-----------|
| 4000 preference shares of Rs. 100 each | 4,00,000  | Goodwill          | 30,000    |
| 8000 Eq. shares of Rs. 100 each        | 8,00,000  | Land and Building | 4,00,000  |
| 8% mortgage debentures                 | 2,00,000  | Plant             | 6,00,000  |
| Bank loan                              | 1,00,000  | Stock             | 1,00,000  |
| Sundry creditors                       | 2,00,000  | Debtors           | 80,000    |
|  |           | P and L A/c       | 4,90,000  |
|  | 17,00,000 |                   | 17,00,000 |

The following scheme of Internal-reconstruction was approved by court :

- a) Preference shares are to be reduced to Rs. 50 per share fully paid.
- b) Equity shares are to be reduced to Rs. 25 each fully paid.
- c) 8% Debenture holders to take over stock and debtors in full settlement of their amount.
- d) Eliminate goodwill and P and L A/c completely.
- e) Plant value is reduced to 50% of its present value.

Journalise the entries of the above scheme of Internal Reconstruction and prepare the revised Balance Sheet.



## SECTION – D

**Compulsory question :****(1x10=10)**

15. Balance Sheet of M Ltd. shows the following on 31-12-2016, 1,00,000 Eq. sh. of Rs.10/- each fully paid Rs. 10,00,000, 50,000 5% pf. sh. of Rs. 10/- each fully paid Rs. 5,00,000, 6% debentures Rs. 5,00,000 N Ltd. acquired M Ltd. on the same date and agreed to pay the following :
- 50,000 Eq. sh. of Rs.10/- each @ Rs.12/-, 30,000 8% pf sh. of Rs.10/- each. and 7% debentures to the extent of Rs. 2,00,000 to the Eq. share holders of M Ltd.
  - 30,000 Eq. sh. of Rs.10/- @ Rs. 12/- each and 20,000 8% pf shares of Rs. 10/- each to the 5% pf shareholders of M Ltd. Calculate purchase consideration.

**ಕನ್ನಡ ಅವೃತ್ತಿ**

**ವಿಭಾಗ - ಏ**

1. ಯಾವುದಾದರೂ ಹತ್ತು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು.

**(10x2=20)**

- ಭದ್ರತೆಯುಳ್ಳ ಸಾಲಗಾರರು ಎಂದರೆ ಯಾರು ?
- ಕಂಪನಿಗಳ ಸಂಯೋಜನೆ ಎಂದರೇನು ?
- ಸ್ವೀಚ್ಚಾ ಮುಕ್ತಾಯಗೊಳಿಸುವಿಕೆಯ ವಿಧಗಳನ್ನು ಬರೆಯಿರಿ.
- ಅಮೂರ್ಖ ಸ್ವೀರೂಪ ಆಗ್ನಿ ಎಂದರೇನು ? ಉದಾಹರಣೆ ಕೊಡಿ.
- ಕಂಪನಿ ಸಂಯೋಜನೆಯ ಯಾವುದಾದರೂ ಎರಡು ಉದ್ದೇಶಗಳನ್ನು ತಿಳಿಸಿ.
- ವಿಲೀನದಲ್ಲಿ ವರ್ಗಾಯಿತ ಕಂಪನಿಯು ತೆಗೆದುಕೊಳ್ಳದೇ ಇರುವ ಜವಾಬ್ದಾರಿಗಳನ್ನು ನೀವು ಹೇಗೆ ಪರಿಗಣಿಸುತ್ತೀರಿ ?