

Roll No.

Total No. of Pages : 02

Total No. of Questions : 08

B.Com. Hons. (Sem.-4)
CORPORATE ACCOUNTING
Subject Code : BCOM-401-18
M.Code : 77409
Date of Examination : 16-06-21

Time : 2 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. Attempt any FIVE question(s), each question carries 12 marks.

1. Sanjeev Kumar Ltd. had Rs. 1,00,000 equity share capital (Rs. 10), 1,000 8% Rs. 100 redeemable preference shares and Rs. 60,000 and Rs. 40,000 respectively in General Reserve and Surplus A/c. It had also Rs. 3,000 in Share Premium A/c. The company exercised its option to redeem the preference shares at 10% premium.

For this purpose, 5,000 Rs. 10 right shares were issued at 10% premium which were fully paid at a time. The company has also Rs. 30,000 investments which were sold for Rs. 38,000. All payments were made except to holders of 50 shares who could not be traced. The directors then issued Bonus shares to the shares to the shareholders at the rate of 2 for 3 held at a 5% premium.

Pass journal entries assuming that the directors want there should be minimum reduction in free reserves.

2. "A company cannot make payment of dividend out of current profits without making good past losses." Comment and also give a brief overview of contingent liabilities.
3. Explain the concept of goodwill. Discuss in detail the various types of methods for calculating the goodwill.
4. Discuss in detail the following which are usually in a Bank's Balance sheet :
- | | |
|--|-------------------------------|
| a) Rebate on bills discounted | b) Interest on doubtful debts |
| c) Circular notes and letter of credit | d) Inter branch departments |
| e) Money at call and short notice | f) Unexpired discount. |

5. Explain in detail the difference between amalgamation in the nature of merger and amalgamation in the nature of purchase. Also, discuss the pooling interests method of amalgamation.
6. Explain the concept of internal reconstruction. What is its significance? Also, discuss the main entries passed in the books of the company at the time of internal reconstruction.
7. Explain the concept of Life Insurance. Prepare (with imaginary figures) the Balance Sheet of Life Insurance Co.
8. Discuss in detail the main features of Accounts of “General Insurance Companies”. What statutory books are required to be maintained by a General Insurance Company under the Insurance Act?

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