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Total No. of Questions: [09]

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B. Com (Hons.) (Semester – 4th)
CORPORATE ACCOUNTING - II
Subject Code: BCOM1-414
Paper ID: [140319]

Time: 03 Hours

Maximum Marks: 60

Instruction for candidates:

1. Section A is compulsory. It consists of 10 parts of two marks each.
2. Section B consist of 5 questions of 5 marks each. The student has to attempt any 4 questions out of it.
3. Section C consist of 3 questions of 10 marks each. The student has to attempt any 2 questions.

Section – A

(2 marks each)

- Q1. Attempt the following:
- a. Purchase Consideration.
 - b. Pooling of interest.
 - c. Capital reserve.
 - d. consolidation of shares
 - e. Pre-acquisition and post-acquisition profit.
 - f. Goodwill
 - g. pass journal entry for reissue of forfeited shares
 - h. owner's equity
 - i. Consolidated vs. Separate financial statement.
 - j. Preferential payments.

Section – B

(5 marks each)

- Q2. Define external reconstruction. What are the main objectives behind external reconstruction?
- Q3. What is the difference between internal reconstruction and external reconstruction?
- Q4. Write advantages and disadvantages of Holding company.
- Q5. Write the format of liquidator's final statement of Account.
- Q6. M CO. Ltd. went into voluntary liquidation on 1st March 2018. Following balances are extracted from its books on that date:

	₹		₹
Capital:		Buildings	1,50,000
50,000 equity shares of ₹10 each	5,00,000	Plant and Machinery	3,50,000
Debentures (secured by a floating charge)	2,00,000	Stock-in trade	95,000
Bank overdraft	30,000	Book Debts	₹ 65,000
Creditors	40,000	75,000	
		Less: Provision	₹
		10,000	1,00,000
			10,000
		Call in Arrears	
		Cash on hand	

	7,70,000		7,70,000
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Plant and machinery and building are valued at ₹1,50,000 and ₹1,20,000 respectively. On realisation, losses of ₹15,000 are expected on stock. Book debts will realise ₹70,000. Calls in arrears are expected to realise 90%. Bank overdraft is secured against buildings. Creditors include preferential creditors for taxes and wages are ₹6000 and miscellaneous expenses outstanding ₹2000.

Prepare a statement of Affairs to be submitted to the meeting of creditors.

Section – C

(10 marks each)

- Q7. What is difference between amalgamation and absorption in corporate restructuring? How do amalgamation and absorption affect the financial statements of the companies involved?
- Q8. What are the key components of an insurance company's financial statements? Define regulatory requirements govern the accounting practices of insurance companies.
- Q9. The individual balance sheets P Ltd and S Ltd are given below:

	P Ltd ₹	S Ltd ₹
Equity and liabilities		
Equity		
Equity share capital	4,00,000	1,60,000
Profit and loss	1,80,000	90,000
Current liabilities	60,000	30,000
Total equity and liabilities	6,40,000	2,80,000
Non currents assets:		
Tangible Assets	4,40,000	2,80,000
Investment in S Ltd at cost	2,00,000	
Total assests	6,40,000	2,80,000

P Ltd acquired 70% of the equity shares of S Ltd 2year ago when the profit and loss balances were as follows : P Ltd ₹1,12,500; S Ltd ₹60,000.prepare the consolidated balance sheet.