BCO-315

Sl.No. :

Total No. of Pages : 4

Third Year B.Com. Degree Examination, May - 2026
(SLM Scheme) (Non - CBCS)
CORPORATE ACCOUNTING

Time : 3 Hours **Max. Marks : 80**

PART - A

Answer any four questions. Each question carries 5 marks. **[4×5=20]**

Q1) Write a note on 'Annuity' in Life Insurance Business.

Q2) Write a note on "Minority Interest".

Q3) State any five factors influencing the valuation of goodwill.

Q4) Write a note on Rebate on bills discounted.

Q5) The net profit of a business of 'X' Ltd for the past five years are ₹ 7,00,000, ₹ 8,00,000, ₹ 9,00,000, ₹ 10,00,000 and ₹ 14,00,000. Calculate the goodwill on the basis of 2 years purchase of last 5 years Average profit.

Q6) Write a note on 'Pooling of Interest Method'.

PART - B

Answer any three questions. Each question carries 10 marks. **[3×10=30]**

Q7) What is purchase consideration? Explain the different methods of calculating purchase consideration.

Q8) Explain the various methods of redemption of debentures.

Q9) The following are Ledger Balances of a General Insurance Company as on 31.12.2024.

	₹
Insurance Fund on 1-1-24	
Fire	4,40,000
Accident	9,00,000
Commission paid:	
Fire	10,000
Accident	16,000
Salaries	1,60,000
Share transfer fees	4,000
Management Expenses:	
Fire	50,000
Accident	60,000
Claims paid	
Fire	70,000
Accident	64,000
Audit fees	10,000
Director's fees	10,000
Interest and dividend received	1, 50,000
Tax paid on the above	50,000
Printing and stationery	20,000
Depreciation	24,000
Premium received	
Fire	5,00,000
Accident	6,60,000

Adjustments:

a) Management Expenses outstanding-
Fire ₹ 8,000, Accident ₹ 5,000

b) Reserve for in expired risks 50% of premium received in each case.

Prepare Revenue A/c and general profit and loss A/c for the period ended 31-12-2024.

Q10) Following is the Balance sheet of Kiran Ltd as on 31-12-2024:

Liabilities	Amount	Assets	Amount
30,000 Pref. Shares of ₹10each	3,00,000	Goodwill	30,000
30,000 Eq. Shares of ₹10each	3,00,000	Premises	1,20,000
Creditors	70,000	Plant	50,000
Overdraft	30,000	Patents	1,50,000
		Stocks	40,000
		Debtors	25,000
		Cash	25,000
		P and L A/c	2,60,000
	7,00,000		7,00,000

The following scheme of reconstruction was carriedout:

a) Pref. Shares are reduced to an equal number of fully paid Shares of ₹ 6 each.

b) Equity Shares are reduced to an equal no.of fully Paid Shares of ₹ 4 each.

c) The creditors agreed to forgo 10% of their claims. The amount so available was utilised to write off goodwill, profit and loss account and as for as possible patents.

Give journal entries and prepare reconstructed Balance Sheet.

Q11) Write a note on liquidation of company. Explain the types of liquidator's Remuneration.

PART - C

Answer any two from the following questions. Each question carries 15 marks. **[2×15=30]**

Q12) Mohan Ltd issued 40,000 shares of ₹ 10 each @ a premium of ₹ 2 per share payable as follows:

On application ₹ 2

On allotment ₹ 5 (including premium)

On first and final call ₹ 5.

All the shares were subscribed for and the company received all the money due with the exception of the allotment money and call money on 800 shares. These shares were forfeited and re-issued as fully paid @ ₹ 11 per share.

Pass the necessary journal Entries in the books of the company.

Q13) On 31/03/25 A Ltd tookover the business of 'B' Ltd the following are their Balance sheet.

Liabilities	'A' Ltd ₹	'B'Ltd ₹	Assets	'A' Ltd ₹	'B' Ltd ₹
Equity share capital of ₹10 each	4,00,000	3,20,000	Land & Building	2,00,000	1,80,000
			Plant & Machinery	96,000	76,000
General Reserve	40,000	60,000	Patents	10,000	8,000
			Stocks	56,000	60,000
P and L A/c	8,000	20,000	Debtors	72,000	64,000
Creditors	12,000	4,000	B/R	8,000	8,000
			Cash @ Bank	18,000	8,000
	4,60,000	4,04,000		4,60,000	4,04,000

On 31/3/25, A Ltd took over 'B' Ltd on following terms

a) A Ltd will take over all the assets and liabilities of 'B' Ltd @ their existing values.

b) The purchase consideration of ₹ 4,00,000 payable by 'A' Ltd by issue of fully paid Equity shares of ₹ 10 each.
You are required to prepare necessary Ledger A/c in the Books of 'A' Ltd.

Q14) What is holding company and subsidary company. What are the types of holdings? Explain.

Q15) Discuss the methods of valuation of Goodwill.

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