

B.Com. (Hons) DEGREE EXAMINATION, EVEN SEMESTER 2021**II Year IV Semester****Special Accounts**

Max Marks: 25

Answer any **Five** questions (5 * 5 = 25) Marks

1. The assets of X Ltd. Are purchased by L Ltd. The purchase consideration was as follows:
- A cash payment of Rs. 90 for every share of X Ltd
 - A cash payment of Rs.550 for every debenture in X Ltd. in full discharge.
 - An exchange of four shares of Y Ltd. of Rs.75 each (quoted in the market at Rs.140 each for every share of X Ltd
 - The expenses of liquidation amounting to Rs.10,000 were met by Y Ltd.
- Additional information of X Ltd. on the date of absorption:

	Rs.
Share capital 6,000 equity shares of Rs.500 each	3,00,000
1,300 debentures of Rs.550 each	6,50,000
Sundry creditors	2,50,000
Workmen's Savings Bank	2,00,000
Calculate purchase consideration (cash as well as shares)	

2. Jaipur Electric Supply Company Ltd. (which adopts the double entry system) re-build and re-equip a power station and the connecting lines during the year 1994. For this purpose they purchased materials of Rs.10,85,000 and used stores worth Rs.4,90,000 for their existing stocks. The cost of labour came to Rs.5,22,000. The estimated supervisory overheads attributed to this project were Rs.13,000. The station was erected in 1954 at a cost of Rs.5,00,000 and the index of costs in this line stood in 1994 at 385, taking 1954 as the base year. Discarded materials from the old station fetched Rs.12,000.
Show journal entries to record the above transactions.
3. H Ltd, acquired 3,000 equity shares in S Ltd. on 1st April 2017. On 31st December 2017 the Balance sheet of S Ltd., was as follows.

Liabilities	Rs	Assets	Rs.
Share Capital : 4,000 equity shares of Rs.100 each	4,00,000	Sundry assets	6,40,000
General reserve on 1-1-2017	80,000		
Profit and Loss A/C: Balance on 1-1-2017 20,000 Profit for 2017 <u>80,000</u>	1,00,000		
Sundry creditors	60,000		
	6,40,000		6,40,000

Ascertain Capital Profits and Revenue Profits

4. For the following advances made by Lucky Bank Ltd. you are required to compute the amount of Provision to be shown in P & L a/c:

	Rs.(Lakhs)
Standard Assets	8,000
Sub-standard Assets	650
Doubtful Assets (More than 3 years)	100
Loss assets	250

5. From the following particulars, you are required to prepare the Revenue Account for the year ending 31/12/2017

	Rs.
Claims paid	4,80,000
Commission	2,00,000
Commission on re-insurance ceded	10,000
Claims intimated and accepted but not paid as on 31-12-2017	60,000
Re-insurance premium	1,20,000
Bonus in reduction of premium	12,000
Claims outstanding on 01-01-2017	40,000
Claims intimated but not accepted on 31-12-2017	10,000
Commission in re-insurance accepted	5,000
Expenses of Management	3,05,000
Premium received	12,00,000
Additional provision for unexpired risk 01-01-2017	20,000
Provision for unexpired risk on 01-01-2017	4,00,000

6. The following is the Balance sheet of 'A' Company on 31/12/2000

Liabilities	Rs	Assets	Rs.
12,000 shares of Rs.10 each fully paid	1,20,000	Land & Buildings	1,00,000
Sundry Creditors	30,000	Plant & Machinery	40,000
Bank overdraft	28,000	Stock	15,000
		Sundry Debtors	22,000
		P & L A/c	1,000
	1,78,000		1,78,000

The company went into voluntary liquidation and the assets were sold to B Ltd. for Rs.1,50,000 payable as to Rs.60,000 in cash (to discharge sundry creditors, bank overdraft and to pay cost of winding up Rs.2,000) and Rs.90,000 by the allotment of 12,000 shares of Rs.10 each Rs.7.50 paid up per share

Pass journal entries in the books of 'A' Ltd.

7. The Life Assurance Fund of an Insurance Company on 31-03-2018 showed a balance of Rs.87,76,500. It was found that the following were not taken into account:

	Rs.
Dividend from investments	4,80,000
Income tax on above	48,000
Bonus in reduction of premium	8,77,500
Claims covered under re-insurance	4,23,000
Claims intimated but not accepted by company	7,62,000

Ascertain the correct balance of Fund.