

CORPORATE ACCOUNTING
(For students admitted in 2012 only)

Time: 3 hours

Max Marks: 60

Answer any FIVE questions
All questions carry equal marks

- 1 What is the meaning of Debentures? What are strategy provisions related to the issue of debentures?
- 2 What is the issue of bonus shares? Write about the accounting treatment of bonus shares.
- 3 What is underwriting of shares and debentures? What are the different types of underwriting?
- 4 What is the valuation of goodwill? What are the factors affecting the value of good will?
- 5 What are the contents of "Liquidators" statement of account? How frequently does a liquidator have to submit such statement?
- 6 (a) What do you mean by contingent liabilities? How are these liabilities shown in the balance sheet of a banking company?
(b) State by means of imaginary figures the item of advances appearing in the balance sheet of a banking company.
- 7 (a) Distinguish between amalgamation in the nature of merger and amalgamation in nature of purchase.
(b) What is reconstruction? Give the accounting treatment for reconstruction.
- 8 The following are the balances extracted from the books of the Comet Insurance company Ltd for the fire and marine departments as on 31.03.2013.

	Fire	Marine
Claims paid	1,12,000	1,07,400
Commission paid (direct business)	1,09,600	89,400
Expenses of management	69,200	26,400
Commission on reinsurance accepted	8,000	5,000
Commission on reinsurance ceded	4,000	3,000
Outstanding premium 31.03.2014	40,600	33,600
Reserve for unexpired risk	1,30,200	2,44,000
Additional reserve	1,42,800	15,000
Premium received less reinsurance	3,30,,600	2,23,600
Claim outstanding 01.04.2012	3,800	200

Adjustments to be taken into consideration:

- (a) Estimated liability in respect of claims outstanding on 31.03.2013 for fire 600 & for marine 13,400.
- (b) Provide 20,000 for survey expenses (marine) and 16,240 for survey expenses (fire).
- (c) Provide incase of fire insurance for additional reserve at 10% of net premium in addition to opening balance.

Prepare fire and marine insurance revenue accounts.
