

## IV SEM CORPORATE ACCOUNTING

### INTERNAL-I

1. There are \_\_\_\_\_ modes of winding up of a company [c]  
(a) Two (b) Five (c) Three (d) Four
2. An administrator is known as a \_\_\_\_\_ [b]  
(a) Contributory (b) Liquidator (c) Creditors (d) None of these
3. Section-433 deals with \_\_\_\_\_ [b]  
(a) Voluntary (b) Compulsory (c) Winding up subject to supervision  
(d) All the above
4. The creditors which are paid in priority to all debts are known as \_\_\_\_\_ [d]  
(a) Preferred creditors (b) Unpreferred creditors (c) Sequential creditors (d) Preferential creditors
5. A statement of affairs has to be submitted by the directors within \_\_\_\_ days of courts order [a]  
(a) 21 (b) 31 (c) 11 (d) 41
6. \_\_\_\_\_ company does not have sufficient realized assets and surplus to pay all creditors [c]  
(a) Informal company (b) formal company (c) Insolvent company (d) Solvent company
7. Debenture holders having floating charge have priority in payment over \_\_\_\_ [a]  
(a) Unsecured creditors (b) Secured creditors (c) Preferential creditors (d) All of these
8. Liquidators final statement of account is prepared in \_\_\_\_\_ [d]  
(a) Case of compulsory winding up (b) Case of voluntary winding up  
(c) Case of supervision of court (d) All of these
9. \_\_\_\_\_ is the stage after winding up, when company winds up its affairs [b]  
(a) Incorporation (b) Dissolution (c) Winding up (d) None of these
10. \_\_\_\_\_ provide complete list of assets which are specifically pledged in favor of any creditor [a]  
(a) List 'A' (b) List 'B' (c) List 'C' (d) List 'D'
11. \_\_\_\_\_ refers to the formation of a company to liquidation of two existing companies [d]  
(a) Merger (b) Purchase (c) Combination (d) Amalgamation
12. There are \_\_\_\_\_ types of amalgamation [a]  
(a) 2 (b) 4 (c) 5 (d) 8
13. \_\_\_\_\_ does not include the payment made by the transferee company for the discharge of liabilities of the transferor company [c]  
(a) Sales (b) Sale consideration (c) Purchase consideration (d) Purchases
14. There are \_\_\_\_\_ methods of purchase consideration [b]  
(a) 1 (b) 4 (c) 2 (d) 8
15. Journal entry for purchase consideration is due [b]  
(a) Transferor company a/c Dr. to realization a/c (b) Transferee company a/c dr. to realization a/c  
(c) Realization a/c Dr. to transferor company a/c (d) Realization a/c Dr. to transferee company a/c
16. The journal entries which are to be passed in the books of \_\_\_\_\_ company are same in case of both merge and purchase type of amalgamation [a]  
(a) Transferor (b) Transferee (c) Transfer (d) Transferent
17. In \_\_\_\_\_ method lumpsum amount is paid by the transferee company to the transferer company for amalgamation of business [c]  
(a) Net assets (b) Net payment (c) Lumpsum payment (d) Share exchange
18. When amalgamation is in the type of merger, then \_\_\_\_\_ is used for recording the transactions in the books of transferee company [a]  
(a) Pooling interest method (b) Interest method (c) Pooling method (d) None of these
19. Entry for purchase consideration paid \_\_\_\_\_ [c]  
(a) Bank a/c Dr. To share capital a/c (b) Bank a/c Dr. To share a/c  
(c) Share capital a/c Dr. to bank a/c (d) Capital a/c Dr. to share a/c
20. If purchase consideration is less than the net value of assets then the difference would be transferred to \_\_\_\_\_ [b]  
(a) Capital preserve (b) Capital reserve (c) Revenue reserve (d) Capital revenue

1. **Liquidation** is the process wherein the life of a company is ended
2. **Voluntary winding up** refers to the process of winding up the company by the creditors or members of the company
3. **Contributory** is an individual responsible for contributing to the assets of the company at the time of winding up
4. A company having sufficient realized assets to pay all creditors in full is said to be a **Solvent company**
5. A Receiver is appointed to protect the interest of **Debenture holders**
6. **List 'B' contributory** consist of names of members who are ceased by the company within 12 months of winding up
7. When there is insufficient amount, the liquidator remuneration can be calculated by using **Liquidator's Remuneration = Available amount for unsecured creditors x % of commission/100 + % of commission** formula
8. Winding up is done under the order of a court is known as **Compulsory winding up**
9. A liquidator maintains a daily cash book in order to record **Receipts and payments** of the company
10. Receivers statement and liquidator final statement of account is prepared when **Receiver** is appointed by the Debenture holders
11. The transferee company continues to carry out the business operations of **Transferor** company after Amalgamation
12. The shareholders of the transferor company hold atleast **90%** of the face value of the equity shares becomes the shareholders of transferee company after amalgamation.
13. The transferee company becomes the **Owner** of assets and liabilities of transferor company after Amalgamation
14. In the **Financial** statements of the transferee company the assets and liabilities of the transferor company are recorded at their prevailing values.
15. Purchase consideration = **Assets - Liabilities**
16. The **Intrinsic value** of shares is taken into consideration for calculating purchase consideration
17. **Net payment** method is the most suitable method for calculating purchase consideration
18. In case of amalgamation by **Lumpsum** payment, computation of purchase consideration is not required
19. The **Receivables** of shareholders belonging to Transferor Company would be paid by issuing shares of transferor company
20. When assets and liabilities are taken over by any company then sundry assets are **Debited** and sundry liabilities are **Credited**

### III. Short Answers.

1. Lumpsum method?
2. Intrinsic value?
3. Net payment method?
4. Transferor company?
5. Transferee company?
6. Incorporation ?
7. Desolution?
8. Realization?
9. Pooling method?
10. Statutory reserves?