

B.Com. IV Semester Degree Examination, May/June - 2019

COMMERCE

Corporate Accounting - II

(Old)

Time : 3 Hours

Maximum Marks : 80

SECTION - A

Answer any **TEN** of the following :

(10×2=20)

1. What is non-Banking asset?
2. Give two examples of contingent liabilities of a Banking company.
3. Who is Insolvent?
4. What is statement of Affairs?
5. How do you ascertain the rate of gross profit of the previous year?
6. Name the two insolvency acts prevailing in India.
7. What do you mean by self Balancing ledger system.
8. Mention two names of Debtors ledger.
9. Mention the two types of Goodwill.
10. What is Net asset method.
11. What is Memorandum Trading Account?
12. What are Bonus shares?

SECTION - B

Answer any **THREE** of the following :

(3×5=15)

13. Give the names of the schedules of profit and loss account of the Banking company.
14. Give the format of Deficiency account.
15. Calculate the value of an Equity share from the following information using yield method:
Paid up value of an equity share Rs.150.
Expected rate of Dividend 15%
Normal Rate of return 10%
16. The profits of PQR partnership firm for the past 5 years was as follows :

Year	Profit
2010	80,000
2011	50,000
2012	70,000

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2013	60,000
2014	70,000

It was decided to value the goodwill of the firm at 3 years purchase of the average profits of the past 5 years under simple average profits method.

Find the value of goodwill.

17. A fire occurred on 20-04-2018 in the premises of a company and stock in trade was destroyed. The following information is available :

Opening stock on 1-1-2018	40,000
Purchases upto 20-4-2018	1,80,000
Sales upto 20-4-2018	2,40,000

The usual percentage of gross profit in the business was 20% on sales. Salvaged stock was valued at Rs.1500.

Calculate fire claim.

SECTION - C

Answer any **THREE** of the following :

(3×15=45)

18. From the following information prepare profit & loss A/c of Manu Bank Ltd., for the year ending 31-3-2018 and the necessary schedules :

Interest & Discount	4,60,000
Income on Investments	40,000
Interest on Balance With RBI	20,000
Commission Exchange & Brokerage	1,60,000
Profit on sale of Investments	20,000
Interest on Deposits	1,30,000
Interest on Borrowings from RBI	35,000
Salary to staff	1,40,000
Rent & taxes	40,000
Printing & stationery	30,900
Advertisement	12,000
Depreciation on Bank's Property	8,000
Directors fees	24,000
Auditors fees	16,000

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Law charges	
Postage & Telegram	10,000
Repairs & Maintenance	4,000
Insurance	14,000
Other Information :	2,000

- a) Make provision for income - tax Rs.15000.
- b) Provide for bad and doubtful debts Rs.12,000.
- c) Provide for rebate on bills discounted Rs.8000.
- d) 25% of the profit to be transferred to statutory reserve.
- e) The directors have proposed a dividend of Rs.40,000. Provide for tax on this dividend at 15%.

19. From the following particulars prepare the Debtors ledger Adjustment Account and creditors Ledger Adjustment Account as they would appear in General ledger :

Debit Balance of Debtors on 1-7-2018	28,000
Credit Balance of Debtors on 1-1-2018	700
Credit Balance of Creditors on 1-1-2018	48,000
Debit Balance of Debtors on 1-1-2018	400
Transactions during the month were :	
Credit Sales	43,800
Cash Sales	36,000
Cash received from Debtors	30,000
Discount allowed	3,000
Bills receivable received	5,000
Bad debts	200
Credit purchases	68,800
Cash paid to creditors	59,000
Purchase returns	2,000
Credit balance of Debtors on 31-12-2018	750
Debit balance of creditors on 31-12-2018	500

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20. On 26-4-2013 fire occurred in the premises of savitha stores of Hubli. The following figures are available from the records of the stores :

Stock on 1-1-2012	1,00,000
Stock on 31-12-2012	1,50,000
Purchases during the Year 2012	13,50,000
Sales during the Year 2012	16,25,000
Purchases from 1-1-2013 to 26-4-2013	9,00,000
Sales from 1-1-2013 to 26-4-2013	10,25,000
Value of salvaged stock	40,000

Prepare a statement of fire claim.

21. Mr. Suresh is Insolvent. He supplies the following information as on 30-06-2012.

Cash in hand	100
Furniture (Estimated value Rs.2000)	4000
Stock (Estimated value Rs.18000)	30,000
Bills receivable (Rs.3000 bad)	5000
Book - Debts :	
Good	4000
Doubtful (Estimated to realise Rs.4000)	10,000
Creditors	35,000
Loan from his wife (Paid out of her own property)	5000
Salary due to clerk	400
Losses owing to Govt.	1000
One month rent payable to landlord	200
Bank loan secured by stock	10,000
Bills discounted (Rs.2000 bad)	6,000

Mr. Suresh commenced business with a capital of Rs.30000 at poona. His business resulted in profit of Rs.16,500 and suffered a loss of Rs.20,000. His drawings were Rs.25,000.

Prepare a statement of Affairs and Deficiency account.

22. Explain the methods of valuation of shares of a company.

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