

B.Com. IV Semester Degree Examination, May - 2018

COMMERCE

Corporate Accounting - II

(Old)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Answer the questions as per the sections Requirement.

Section - A

Answer any **Ten** of the following :

(10×2=20)

1. What is a Bank?
2. What is self balancing ledger system?
3. What is Non Banking Asset?
4. Define Insolvency.
5. What is statement of Affairs?
6. What is fire claim?
7. What do you mean by Average clause?
8. What is goodwill?
9. Mention two types of goodwill.
10. Define Share.
11. Define Bonus shares.
12. Mention the source of Issue of Bonus shares.

Section - B

Answer any **Three** of the following :

(3×5=15)

13. What are the objectives of Issue of bonus shares?
14. What is Deficiency Account? Give the specimen of Deficiency account.

[P.T.O]



15. From the following information of Canara Bank. Prepare the profit and loss A/C for the year ending 31/3/2017.

<u>Particulars</u>	<u>Amount</u>
Interest on Discount	3,00,000
Interest on Borrowings from RBI	60,000
Income on Investments	50,000
Interest on Deposits	1,00,000
Interest on balance with RBI	10,000
Commission and exchange	40,000
Salary and allowances to staff	40,000
Travelling expenses	6,000
Director's fees	4,000
Auditor's fees	2,000
P & L A/C [credit balance on 31/3/16]	80,000

16. Following are the profits of sainath Co. ltd for the past 5 years. It was decided to value the goodwill at 3 years, purchase of the average profit of the past 5 years.

<u>Years</u>	<u>Profits</u>
2013	70,000
2014	85,000
2015	70,000
2016	80,000
2017	70,000

Calculate value of goodwill under simple Average profit method.

17. From the following figures of Mr. Samarth, Prepare Debtor's ledger Adjustment Account in the General ledger.

<u>Particulars</u>	<u>Amount</u>
Debtors ledger (1.1.17) [Dr Balance]	20,000
Debtors ledger (1.1.17) [Cr Balance]	1,000



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Credit sales	50,000
Cash sales	15,000
Cash received from Debtors	25,000
Discount allowed	1,500
BR received	15,000
BR Dishonoured	500
Bad debts written off	250
Provisions for doubtful debts	3,000
Returns from Debtors	2,000
Debtor's Balance (31.12.17) [Cr. Balance]	750

Section - C

Answer any **three** of the following :

(3×15=45)

18. Mr. X filed his insolvency petition on 31/12/2017. He had the following assets and liabilities:

Unsecured creditors : Trade creditors	75,000
Bills payable	8,000
Creditors fully secured on buildings	10,000
Buildings (estimated to produce Rs. 16,000)	20,000
Creditors partly secured on shares of Y Ltd	12,000
Shares in Y. Ltd (estimated to realise Rs. 9000)	14,000
Creditors payable in full	2,000
Cash in hand	1,000
Stock in trade (estimated at Rs. 13000)	18,000
Machinery (estimated value Rs. 5000)	7,000
Furniture (estimated to produce Rs. 1,500)	3,000
Book Debts : Good	19,000
Doubtful (estimated to produced Rs. 4000)	6,000

[P.T.O]



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Bad debts	6,000
Bills Receivable (estimated at book value)	5,500

He started his business with a capital of Rs. 60,000 on 1.1.2014. His business resulted in a profit of Rs. 19,000 in the first two years and incurred a loss of Rs. 44,500 in the last two years after allowing interest on capital Rs. 2,000 each year. His total drawings were Rs. 50,000 during the above period.

Prepare statement of affairs as on 31.12.2017 and deficiency account.

19. Fire occurred in the business premises of a trader on 1.7.2017 and the entire stock was destroyed. However, the books and records were saved and the following information was obtained.

	Rs.
Stock on 31.12.2015	35,000
Stock on 31.12.2016	40,000
Purchases for the year ending 31.12.2016	80,000
Sales for the year ending 31.12.2016	1,00,000
Purchases from 1.1.2017 to 30.6.2017	37,000
Sales from 1.1.2017 to 30.6.2017	60,000
Wages during 2016	2,000
Wages during 2017	1,500
Stock salvaged	5,000
Fire extinguishing expenses	2,000

Prepare trading account, Memorandum trading account, and statement of fire claim under Average clause.

20. The following are the ledger Balance of the Janata Bank Ltd as on 31.3.2017.

Name of Accounts	Dr.	Cr.
Share capital (10,000 shares of 10 each)		1,00,000
Statutory Reserve		75,000
Borrowings from other Banks		80,000
Net profit for the year (before appropriation)		1,00,000



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Bills payable		20,000
Cash in hand	1,00,000	
P & L A/C (Balance on 1.4.2016)		1,25,000
Cash with RBI	25,000	
Cash with other Banks	1,20,000	
Current Accounts		3,40,000
Savings Bank Accounts		1,10,000
Fixed Deposits		1,50,000
Bills purchased and Discounted	1,50,000	
Cash credits and overdrafts	2,37,500	
Money at call and short notice	55,000	
Investments in Government securities	70,000	
Term Loans	2,62,500	
Premises (at cost Rs. 60,000)	45,000	
Investments in shares	20,000	
Furniture and fixtures (at cost Rs. 25,000)	15,000	
	<u>11,00,000</u>	<u>11,00,000</u>

Other Informations :

- Claims against the bank not acknowledged as debts Rs. 10,000.
- Bills for collection amounted to Rs. 75,000 and acceptances and endorsement Rs. 80,000.

Prepare the Balance sheet of the Bank as on 31/3/2017 and also the relevant schedules.

21. From the following details write up the Debtors ledger Adjustment Accounts and creditors ledger Adjustment Account as on 31.12.2017.

	Amount
Debtors (1.1.2017) Dr.	17,400
Debtors (1.1.2017) Cr.	300
Creditors (1.1.2017) Cr.	28,400
Creditors (1.12.2017) Dr.	200

[P.T.O]



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Purchases	25,200
Sales	28,200
Purchase Returns	700
Sales returns	200
Cash paid to creditors	12,700
Bills received from Debtors	9,300
Bills receivable dishonoured	250
Bills accepted	7400
Discount allowed to debtors	150
Cash received from Debtors	8,700
Discount allowed by creditors	600
Cash paid to Debtors	100
Transfers from Debtors ledger to creditors ledger	1,200
Cash Sales	7,400
Cash Purchases	4,300
Bad debts written off	350

22. Explain the need and methods of valuation of shares.