



**IV Semester B.Com. Degree Examination,
September/October 2020**

COMMERCE

**Paper SC 4.4 – Corporate Accounting – II
(Old)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any ten** of the following :

(10 × 2 = 20)

1. What is performing assets?
2. State any two functions of Bank.
3. What is fully secured creditors?
4. Who is insolvent?
5. What do you mean by self-balancing system?
6. Mention two types of goodwill.
7. What do you mean by bonus shares?
8. What is fire insurance?
9. What is average clause?
10. State any two advantages of self balancing system.
11. Name the methods of valuation of Goodwill.
12. What is non-banking asset?

SECTION – B

Answer **any three** from the following :

(3 × 5 = 15)

13. Give the format of deficiency Account.
14. Give the names of the schedules of profit and loss account of the banking company.
15. Calculate the amount of goodwill from the following information under purchase of past profits method.



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Profit of the past 5 years are :

2015 = Rs. 20,000

2016 = Rs. 24,000

2017 = Rs. 28,000

2018 = Rs. 22,000

2019 = Rs. 30,000

It is agreed to purchase the 3 years profit of the average profit of 5 years.

16. A fire occurred at the premises of a trader on 31-5-2018 destroying a major portion of stock.

Stock on 1-1-2018 was Rs. 90,000. The stock salvaged was Rs. 20,250. The gross profit as sales was 30% and sales amounted to Rs. 2,29,500 from January to date of fire. The purchase for the same period was Rs. 1,55,250.

Prepare a statement of claim to submit it to the insurance company.

17. From the following information prepare the debtors ledger adjustment accounts in the general ledger as on 31-12-2018.

Balance of debtors on 1-1-2018 (Dr.)	30,000
Balance of Debtors on 1-1-2018 (Cr.)	1,500
Credit sales	75,000
Cash received from debtors	40,000
Cash sales	35,000
Discount allowed	2,500
Bills receivable received	25,000
Bad debts written off	750
Return from debtors	3,000
B/R dishonoured	1,250
Transfers from creditors ledger	3,000
Bills receivable discounted	2,000
Balance of debtors as 31-12-2018	1,000

SECTION - C

Answer **any three** of the following :

(3 × 15 = 45)

18. From the following ledger balances of the Karnataka Bank Ltd. Prepare the balance sheet as on 31-12-2019 and also the relevant schedules.

Name of the accounts	Dr.	Cr.
Share capital (20,000 shares of Rs. 10 each)	-	2,00,000
Statutory Reserve	-	1,50,000
Net profit for the year (Before appreciation)	-	2,50,000
Profit and loss A/c (on 1-4-17)	-	2,00,000
Current Account	-	6,80,000
Savings bank account	-	2,20,000



Name of the accounts	Dr.	Cr.
Fixed deposits		3,00,000
Borrowings from other Banks		1,60,000
Bills payable	-	40,000
Cash in hand	2,00,000	
Cash with RBI	50,000	
Cash with other Banks	2,40,000	
Money at call and short notice	1,10,000	
Investment in securities	1,40,000	
Investment in shares	40,000	
Bills purchased and discounted	3,00,000	
Cash credits and overdrafts	4,76,000	
Term loans	5,24,000	
Premises (Cost Rs. 1,20,000)	90,000	
Furnitures (Cost Rs. 50,000)	30,000	
	<u>22,00,000</u>	<u>22,00,000</u>

Other information :

- (a) Claims against the bank not acknowledged as debts Rs. 20,000
- (b) Acceptances and endorsements Rs. 1,60,000
- (c) Bills for collection amounted to Rs. 1,50,000.

19. From the following particulars prepare the necessary ledger adjustment accounts in the ledger of Ramesh who keeps his books on self-balancing system.

Debtors balance on 1-1-2018 (Dr.) Rs. 38,000 (Cr)	400
Creditors balance on 1-1-2018 (Cr.) 47,000 (Dr.)	700
Credit sales	1,50,000
Credit purchases	1,20,000
Cash received from debtors	1,23,000
Cash paid to creditors	97,000
Allowances to customers	1,000
Bad debts written off	20,000
Bills received	5,000
Bills accepted	6,000
Discount allowed by creditors	700
Return outwards	12,000
Return inwards	9,600
Cash paid to customers	40,000
Bills receivable endorsed to creditors	2,000
Bills receivable endorsed dishonoured	800
Bad debts written off previously now recovered	1,300
Sundry expenses charged to debtors	50

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20. A fire occurred in the premises of X and Co Ltd. on 1-9-2016 and the stock of the value of Rs. 50,000 was salvaged. The books and records of the business were saved.

The following information was obtained :

Stock on 1-4-2015	1,50,000
Stock on 31-3-2016	1,70,000
Purchases for the year ending 31-3-2016	3,40,000
Sales for the year ending 31-3-2016	5,50,000
Purchases from 1-4-2016 to 1-9-2016	1,25,000
Sales from 1-4-2016 to 1-9-2016	1,80,000

The stock on 31-3-2016 was overvalued by Rs. 10,000

In April 2016 the selling price was lowered by 10%.

Calculate the amount of claim.

21. Mr. Ashok filed his insolvency petition on 31-12-2019. He had the following assets and liabilities.

Trade creditors	75,000
Bills payable	8,000
Creditors fully secured on buildings	10,000
Buildings (estimated to Rs. 16,000)	20,000
Creditors partly secured on shares in 'y' Ltd	12,000
Shares in 'y' Ltd (estimated to realize 9,000)	14,100
Creditors payable in full	2,000
Cash in hand	1,000
Stock in trade (estimated at Rs. 13,000)	18,000
Machinery (estimated value Rs. 5,000)	7,000
Furniture (estimated value Rs. 1,500)	3,000
Book debts : Good	19,000
Doubtful (estimated Rs. 4,000)	8,000
Bad	6,000
Bills receivable (estimated at Book value)	5,500

He started his business with a capital of Rs. 60,000 on 1-1-2015. 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 of Rs. 2,000 each year. His total drawings were Rs. 50,000 during the above period.

22. Define shares and explain the different methods of valuation of shares.