



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

COMMERCE
Corporate Accounting - II

Time : 3 Hours

Maximum Marks : 80

Section - A

Answer any **ten** of the following.

(10×2=20)

1. Define Banking companies.
2. State any two functions of Bank.
3. Who is Insolvent trader?
4. How do you treat loan from wife (stridhan)?
5. What is Memorandum Trading Account?
6. Give the meaning of "stock of salvage".
7. Mention two names of creditor ledger.
8. Mention two advantages of self - balancing ledger system.
9. Give four examples of unsecured creditors.
10. What is Net Asset method?
11. Give the meaning of Bonus shares.
12. Mention the two types of Goodwill.

Section - B

Answer any **three** of the following :

(3×5=15)

13. What are the objectives of issue of bonus shares?
14. Give the specimen of Deficiency Account.
15. Following are the profits of suraj 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.

Years	Profits
2014	40,000
2015	55000
2016	40000
2017	50000
2018	40000

Calculate value of Goodwill under simple average profit method.

[P.T.O.]

(2)



16. Prepare profit and loss A/c and calculate statutory Reserves From the following.
Information of a bank on 31-03-2016.

Particulars	Amount
Interest Earned	2,00,000
Other Incomes	50,000
Interest expended	90,000
Operating expenses	60,000
Profit & loss A/c on : (1.4.2015) Cr.	50,000
Rebate on bills discounted	5000
Provision for Doubtful debts	7500
Provision for taxation	30,000

17. From the following transactions prepare the creditors ledger adjustment account as it would appear in General ledger

Creditors Balance on 1-1-2016 (Cr.)	80,000
Creditors Balance on 1-1-2016 (Dr.)	4,000
Credit purchases	199000
Cash paid to creditors	188000
Bills payable accepted	50000
Purchase returns	6,000
Discount earned	3,000
Creditors balance on 31-3-2016 (Dr.)	9,500

Section - C

Answer any **Three** of the following.

(3×15=45)

18. The following are the ledger balances of the Kanaka Bank Ltd, as on 31.3.2017.

S.No.	Name of accounts	Debit	Credit
1	Share capital (10000 shares of Rs. 10 each)	-	1,00,000
2.	Statutory reserve	-	75,000
3.	Borrowings from other bank	-	80,000
4.	Net profit for the year (before appropriation)	-	1,00,000
5.	Bills payable	-	20,000
6.	Cash in hand	100000	-
7.	Profit & loss A/c on 1-4-2016	-	125000

(3)

8. Cash with other banks	120000	
9. Cash with RBI	25000	
10. Current Accounts		340000
11. Savings Bank Account		110000
12. Fixed Deposits		150000
13. Bills purchased and discounted	150000	
14. Cash credits and overdrafts	237500	
15. Money at call and short notice	55000	
16. Investment in Govt securities	70000	
17. Term Loans	262500	
18. Premises (at cost Rs. 60,000)	45000	-
19. Furniture & fixtures (at cost Rs. 25000)	15000	-
20. Investments in shares	20000	-
	11,00,000	11,00,000

Other information :

- a) Claims against the bank not acknowledged as debts Rs. 10,000.
- b) Acceptances and Endorsements Rs. 80,000.
- c) Bills for collection amounted to Rs. 75000

19. Mr. X is Insolvent. He supplies the following information as on 30-06-2016.

Cash in hand	100
Furniture (Estimated value Rs. 2000)	4000
Stock (Estimated value Rs. 18,000)	30000
Bills Receivable (Rs. 3000 bad)	5,000
Book - debits :	
Good	4000
Doubtful (Estimated to realize Rs. 4000)	10,000
Creditors	35,000
Loan from Mrs. X (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)	6000

Mr. X commenced business with a capital of Rs. 30,000 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.

[P.T.O.]



20. Fire occurred in the premises of Shankar & Co on 1-5-2017. The stock salvaged was valued at Rs. 10,000. However the books and records were saved. The following information was obtained from them.

Purchases for the year ended 31-3-2017	68000
Sales for the year ended 31-3-2017	110000
Wages for the year ended 31-3-2017	2000
Purchases from 1-4-2017 to 1-5-2017	25000
Sales from 1-4-2017 to 1-5-2017	40000
Stock on 31-3-2016	30000
Stock on 31-3-2017	34000

Find out the amount of fire claim.

21. From the following particulars prepare Debtors ledger adjustment account and creditors ledger adjustment account as they would appear in the General ledger.

Debit balance of Debtors A/c on 1-1-2017	75,500
Credit Balance of Debtors A/c on 1-1-2017	2500
Credit balance of creditors a/c on 1-1-2017	45000
Debit balance of creditors a/c on 1-1-2017	1500
Credit sales during the year	375000
Cash sales during the year	120000
Credit purchases during the year	185000
Cash purchases during the year	60,000
Purchase returns	5,000
Sales returns	10,000
Cash received from Debtors	320000
Cash paid to creditors	180000
Discount earned	15,000
Discount allowed	30,000
Bad debts written off	5000
Provision for bad debts	12000
Debit balance of creditors A/c (31-12-2017)	2,750
Credit Balance of debtors A/c (31-12-2017)	1500
Bad debts recovered	3000

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