



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

COMMERCE

Corporate Accounting - II

(New)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Answer the questions as per the sections requirement.

Section - A

Answer any Ten questions.

(10×2=20)

1. Define Banking Companies.
2. Mention the types of ledger maintained under self Balancing ledger.
3. What is statutory Reserves?
4. Give the meaning of insolvent trader.
5. What is Deficiency account?
6. What is fire insurance?
7. What is salvaged stock?
8. Define Goodwill.
9. Mention any 4 elements of goodwill.
10. Give the meaning of shares.
11. Give the meaning of bonus shares.
12. Mention the source of Issue of bonus shares.

Section - B

Answer any Three questions from the following.

(3×5=15)

13. What is statement of Affairs? And how does it differ from Balance Sheet?
14. Briefly explain the merits & demerits of Issue of bonus shares.
15. Following are the profits of Nokia 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.

[P.T.O.]



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| Years | Profit |
|-------|--------|
| 2013 | 60000 |
| 2014 | 75000 |
| 2015 | 60000 |
| 2016 | 70000 |
| 2017 | 60000 |

Calculate value of goodwill under simple Average profit method.

16. From the following figures of Mr. Anjinaya, prepare Debtor's ledger Adjustment Account in the general ledger.

| <u>Particulars</u> | <u>Amount</u> |
|---|---------------|
| Debtors ledger (1.1.17) [Dr Balance] | 30,000 |
| Debtors Balance (1.1.17) [Cr Balance] | 2,000 |
| Credit sales | 60,000 |
| Cash sales | 25,000 |
| Cash received from Debtors | 35,000 |
| Discount allowed | 3,000 |
| BR received | 25,000 |
| BR Dishonoured | 1,000 |
| Bad debts written off | 500 |
| Provisions for doubtful debts | 5,000 |
| Returns from Debtors | 4,000 |
| Debtor's Balance (31.12.17) [Cr. Balance] | 1,250 |

17. From the following information of Lakshmi vilas Bank, Prepare the P & LA/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 |



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| | |
|---------------------------------------|--------|
| 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 |

Section - C

Answer any **three** of the following questions :

(3×15=45)

18. Fire occurred in the premises of Prakash Ltd on 20.7.2017 the following figures were ascertained from the records.

| | Rs. |
|--|----------|
| Stock on 1.1.2016 | 45,000 |
| Stock on 31.12.2016 | 88,000 |
| Purchases during the year 2016 | 5,36,000 |
| Sales during the year 2016 | 6,75,000 |
| Purchases during the year 2017 upto the date of fire | 3,00,000 |
| Wages during the year 2016 | 2,000 |
| Wages during the year 2017 | 1,500 |
| Sales during the year 2017 upto the date of fire | 3,60,000 |
| The stock salvaged amounted to | 33,000 |
| The amount of policy was for | 60,000 |

Prepare Trading A/C, Memorandum trading account and fire claim with the average clause.

19. From the following information, Prepare the P & L A/C of Kalpatarm Bank Ltd for the year ending 31/3/2010 and the necessary schedules :

| | Amount |
|--------------------------------|----------|
| Interest and discount | 4,60,000 |
| Income on Investments | 40,000 |
| Interests on Balances with RBI | 20,000 |

[P.T.O]

| | |
|--|----------|
| Commission, Exchange and Brokerage | 1,60,000 |
| Profit on sale of Investments | 20,000 |
| Interest on Deposits | 1,30,000 |
| Interest on Borrowings from RBI | 35,000 |
| Payments to and Provisions for employees | 1,40,000 |
| Rent Taxes and lighting | 40,000 |
| Printing and stationery | 30,000 |
| Advertisement and publicity | 12,000 |
| Depreciation on Bank's Property | 8,000 |
| Director's fees | 24,000 |
| Auditor's fees and Allowances | 16,000 |
| Law charges | 10,000 |
| Postage, Telegrams, Telephone, Etc. | 4,000 |
| Repairs and maintenance | 14,000 |
| Insurance | 2,000 |

Other Information :

- Make provision for income tax Rs. 15,000
- Provide for bad and doubtful debts Rs. 12,000
- Provide for rebate on bills discounted Rs. 8,000.
- 25% of the profit to be transferred to statutory Reserves.
- The directors have proposed a dividend of Rs. 40,000 Provide for tax on this dividend at 15%.

20. From the following information, Prepare the statement of Affairs and Deficiency Account in respect of Mr. Insolvent who field his petition on 31.12.2017.

| | |
|---|--------|
| Sundry creditors | 60,000 |
| Bills Payable | 15,000 |
| Shares in cotton co. Ltd (Estimated to produce Rs. 12000) | 15,000 |
| Shares in sugar co. Ltd (Estimated to produce Rs. 55000) | 70,000 |
| Creditors holding first charge on sugar companies shares | 32,000 |



| | |
|--|--------|
| Creditors holding second charge on shares of sugar Co. ltd to the extent of Rs. 8000 | 18,000 |
| Book debts : Good | 8,000 |
| Doubtful (estimated to realise Rs. 10,000) | 20,000 |
| Bad | 4,000 |
| Bills Receivable discounted (Rs. 4,000 are estimated to be dishonoured) | 8,000 |
| Creditors for salaries, rent, taxes, etc (of which Rs. 1000 are preferential) | 3,000 |
| Furniture (valued at Rs. 3000) | 4,500 |
| Cash in hand | 1,000 |
| Stock - in - trade (estimated at Rs. 22,000) | 32,000 |
| Bills of exchange (estimated to realise Rs. 8000) | 10,000 |

He commenced business with a capital of Rs. 60,000 on 1/1/2015. He made a profit of Rs. 27,000 in the first two years and incurred a loss of Rs. 25,000 in the third year. His total drawings amounted to Rs. 25,000 during the above period.

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

| | |
|--|----------|
| Debit balance of Trade Debtors (1.1.2017) | 1,70,000 |
| Credit balance of Trade Debtors (1.1.2017) | 800 |
| Debit balance of creditors (1.1.2017) | 400 |
| Credit balance of creditors (1.1.2017) | 2,00,000 |
| Total sales | 3,50,000 |
| Total purchases | 2,00,000 |
| Cash purchases | 60,000 |
| Cash sales | 50,000 |
| Cash received from Debtors | 2,40,000 |
| Cash paid to creditors | 1,20,000 |
| Returns Inwards | 15,000 |
| Returns Outwards | 5,000 |
| Discount allowed | 15,000 |
| Discount earned | 7,000 |