

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

**COMMERCE**

**Corporate Accounting – II**

**(New)**

Time : 3 Hours

Max. Marks : 80

**SECTION – A**

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

**(10 × 2 = 20)**

1. What is bank?
2. What is non-banking asset?
3. What is a statement of affairs?
4. Give four examples of in-secured creditors.
5. Define "Self Balancing Ledger System".
6. Mention two advantages of self-balancing ledger system.
7. What do you understand by 'Stock of Salvage'?
8. What is average clause?
9. Mention two names of Debtor's ledger.
10. What are Bonus shares?
11. What is net assets methods of valuation of shares?
12. Mention any two methods of valuation of Goodwill.



32421

SECTION - B

(3 × 5 = 15)

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

13. What is deficiency account? Give the specimen of deficiency account.
14. Explain briefly the guidelines issued by the SEBI for issue of bonus shares.
15. From the following information of Basaveshwar Bank Ltd, prepare the profit and loss account for the year ending 31-03-2019.

Particulars	(₹)
(a) Interest and Discount	1,50,000
(b) Interest on borrowing from RBI	30,000
(c) Income on investment	25,000
(d) Interest on deposits	50,000
(e) Interest on balance with RBI	5,000
(f) Commission and exchange	20,000
(g) Salary and allowances to staff	20,000
(h) Travelling expenses	3,000
(i) Directors fees	2,000
(j) Auditors fees	1,000
(k) P/L A/c (Credit balance on 31-03-2018)	40,000

16. Calculate the value of Goodwill from the following information under simple average profit method.

The profit of the past five years

2001 - Rs. 20,000, 2002 - Rs. 22,000

2003 - Rs. 24,000, 2004 - Rs. 20,000

2005 - Rs. 26,000

It is agreed to purchase the 3 years profits of the average profit of the past five years.



17. From the following figures as extracted from the books of Mr. Poornachandra. Prepare the creditor's ledger adjustment account :

	₹
Creditor's balance (01-01-2019) Cr.	90,200
Creditor's balance (01-01-2019) Dr.	5,500
Credit purchases	2,45,200
Cash paid to creditors	1,60,000
Bills payable accepted	1,05,000
Goods returned to creditors	5,200
Discount earned from creditors	5,400
Transfer from creditor ledger to debtors ledger	5,000
Creditor's balance (31-12-2019) Dr.	6,800

SECTION - C

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

(3 × 15 = 45)

18. Prepare proforma schedule II of bank account :

Name of Accounts	Dr.	Cr.
(a) Share capital 10,000 shares of Rs. 10 each		1,00,000
(b) Statutory Reserve		75,000
(c) N/P for the year (before appropriation)		1,25,000
(d) P/L A/c (Bal on 01-04-18)		1,00,000
(e) Current accounts		3,40,000
(f) Saving's bank accounts		1,10,000
(g) Fixed deposits		1,50,000
(h) Borrowings from other Bank's		80,000
(i) Bills payable		20,000
(j) Cash in hand	1,00,000	
(k) Cash with RBI	25,000	



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32421

(l) Cash with other Banks	1,20,000	
	Dr.	Cr.
Name of Accounts		
(m) Money at call and short notice	55,000	
(n) Investment in Gold	90,000	
(o) Bills purchased and discounted	2,37,500	
(p) Cash credits and overdrafts	2,62,500	
(q) Term loans	1,50,000	
(r) Premises (cost Rs. 60,000)	45,000	
(s) Furniture (cost Rs. 25,000)	15,000	
	<u>11,00,000</u>	<u>11,00,000</u>

Other informations :

- (i) Claim's against the bank not acknowledge as debts Rs. 10,000.
- (ii) Acceptance and endorsements amounted to Rs. 80,000.
- (iii) Bills for collections amounted to Rs. 75,000.

19. Mr. Uma Shankar filed his insolvency petition on 31-12-2019. He had the following assets and liabilities.

Particulars	(₹)
(a) Un-secured creditors : Trade Creditors	1,12,500
Bill's Payable	12,000
(b) Creditor's fully secured on building	15,000
(c) Building (Estimated to produce Rs. 29,000)	30,000
(d) Creditor's partly secured on shares in 'A' Ltd	18,000
(e) Preferential creditor's payable in full	3,000
(f) Shares in 'A' Ltd (Estimated to Realise Rs. 13,500)	21,000
(g) Cash in hand	1,500
(h) Machinery (Estimated at Rs. 7,500)	10,500
(i) Furniture (Estimated to produce Rs. 2,250)	4,500
(j) Stock-in trade (Estimated at Rs. 19,500)	27,000
(k) Book debts : Good	28,600
Doubtful (Estimated to Rs. 5,900)	8,900
Bad	9,000
(l) Bill's receivable (Estimated at book value)	8,250

He started his business with a capital of Rs. 90,000 on 01-01-2016. His business resulted in a profit of Rs. 28,500. In the first two years and incurred a loss of Rs. 66,750. In the last two years after allowing interest on capital Rs. 3,000 each year. His total drawings were Rs. 75,000 during the above period.



Prepare statement of affairs and insolvency account.

20. On 28-06-2019, fire occurred in the premises of Gadag stores. The following figures are available from the records of the stores.

Particulars	(₹)
Stock on 31-12-2018	29,000
Stock on 01-01-2018	12,500
Purchases during the year 2018	92,500
Sales during the year 2018	1,12,500
Purchase returns during 2018	2,500
Sales returns during 2018	7,500
Sales from 01-01-19 to 28-06-19	60,000
Purchases from 01-01-19 to 28-06-19	44,500
Sales return from 01-01-19 to 28-06-19	5,000
Good drawn for personal use (2019)	1,250
Value of salvaged stock	11,250
The stores has taken fire policy	20,250

Ascertain the stock destroyed by fire and prepare a statement of fire claim under average clause.

21. Mr. Saikiran, provides the following information who keeps Debtors ledger, Creditors ledger and General ledger on self balancing system.

Debtors balance as on 01-01-2019 (Dr.)	75,000
Creditors balance as on 01-01-2019 (Cr.)	62,500
Transactions for the half year ending 30-06-2019	
Credit sales	3,00,000
Credit purchases	1,87,500
Return inwards	12,500
Cash received from debtors	2,25,000
Discount allowed to debtors	7,500



**32421**

Cash paid to creditors	1,50,000
Discount earned from creditors	6,000
Acceptance received from debtors	50,000
Return outwards	5,000
Creditors bills accepted	20,000
Bad debts written off	2,500
Bills receivable dishonoured	1,250
Bills payable dishonoured	1,000
Cash refunded to debtors	3,500
Discount allowed to debtors but later on disallowed	250

Prepare debtors ledger adjustment account and creditors ledger adjustment account as they would appear in General ledger.

22. What is Goodwill? And explain the methods of valuation of Goodwill.

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