



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

COMMERCE

Paper SC 4.4 – Corporate Accounting – II

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** from the following :

(5 × 2 = 10)

1. What is statutory reserve?
2. State any two functions of Bank.
3. Name the two insolvency acts prevailing in India.
4. What is purchased goodwill?
5. What is statement of affairs?
6. What is self balancing ledger system?
7. How do you ascertain the rate of gross profit of the previous year?

SECTION – B

Answer **any three** from the following :

(3 × 5 = 15)

8. Name the schedules of profit and loss account of the banking company.
9. Explain the features of goodwill.
10. Fire occurred in the premises of Mr. Suresh as on 30-6-2019. The following information is available :

(a) Sundry creditors on 1-1-2019	Rs. 75,000
(b) Sundry creditors on 30-6-2019	Rs. 60,000
(c) Cash paid to creditors	Rs. 3,90,000



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(d) Stock on 1-1-2019	Rs. 45,000
(e) Sales from 1-1-2019 to 30-6-2019	4,02,000
(f) Average gross profit ratio on sales	20%

You are required to prepare a statement of fire claim assuming that there is value of stock salvaged Rs. 20,000.

11. Mr. Ashok has been adjudged as insolvent on 31-12-2019 his creditors are as follows :

Sundry creditors	Rs. 1,00,000
Income tax	Rs. 1,200
Municipal tax	Rs. 1,000
Salary for 4 clerks for 4 months	Rs. 4,000
Wages for 3 workers for 4 months	Rs. 700
Rent due to landlord for 3 months	Rs. 3,000
Loan from wife (Sheedhan)	5,000
Private Loan	Rs. 10,000

Find out the amount due to unsecured creditors and preferential creditors under the provisions for presidency town insolvency act 1909.

12. From the following prepare the debtors ledger adjustment Account in the general ledger. <https://www.vskub.com>

Debtors Balance on 1-1-2019 (Dr.)	20,000
Debtors Balance on 1-1-2019 (Cr.)	1,000
Credit Sales	50,000
Cash Sales	15,000
Cash received from debtors	25,000
Discount allowed	1,500
Bills receivable received	15,000
Bills receivable dishonoured	500
Bad debts written off	Rs. 500
Provision for doubtful debts	250
Returns from debtors	2,000
Debtors Balance on 31-12-2019 (Cr.)	750

SECTION - C

Answer **any three** from the following :

(3 × 15 = 45)

13. From the following ledger balances of the Karnataka Bank Ltd. Prepare the Balance Sheet as at 31-3-2019 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 appropriation)		2,50,000
Profit and loss account (on 1-4-2018)		2,00,000
Current accounts		6,80,000
Savings bank accounts		2,20,000
Fixed deposits		3,00,000
Borrowings from other banks		1,60,000
Bills payable		40,000
Cash in hand	2,00,000	
Cash with R.B.I.	50,000	
Cash with other Banks	2,40,000	
Money at call and short-notice	1,10,000	
Investment in Govt. Securities	1,40,000	
Investment in gold	40,000	
Bills purchased and discounted	3,00,000	
Cash credits and overdrafts	4,75,000	
Term loans	5,25,000	
Premises (Cost Rs. 1,20,000)	90,000	
Furniture (Cost Rs. 50,000)	30,000	
	<u>22,00,000</u>	<u>22,00,000</u>

Other information :

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



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14. From the following information prepare a statement of affairs and deficiency account in respect of Mr. Anil who filed his petition on 31-12-2018.

Sundry creditors	60,000
Creditors partly secured by lien on shares	35,000
Liability on bills discounted (estimated to be dishonoured Rs. 3,000)	6,000
Mortgage on building	10,000
Creditors for Rent taxes, Salaries etc	3,000
Book debts : Good	
Doubtful (estimated to produce Rs. 2,000)	5,000
Bad	4,000
Stock (estimated to realize Rs. 30,000)	40,000
Shares (estimated to realize Rs. 12,000)	15,000
Cash at Bank	1,000
Bills Receivable	1,500
Buildings (Valued at Rs. 16,000)	18,000
Machinery (Valued at Rs. 4,000)	8,000
Furniture (Valued at Rs. 1,500)	2,000
Debentures in Textiles Mills Ltd. (estimated at Rs. 3,000)	3,500
Loss in speculation	9,000
Loss through Betting	6,000

On 1-1-2014 he had a capital of Rs. 35,000. The business resulted in a profit of Rs. 30,000 in the first three years and a loss of Rs. 2,500 in the last two years after allowing Rs. 1,500 for interest on capital each year. The total withdrawals amounted to Rs. 45,000 during the period.



15. Mr. Prakash of Ballari maintains three ledgers namely Debtors ledger, Creditors ledger and general ledger on self Balancing system. 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 debtors (1-1-2019)	1,70,000
Credit balance of debtors (1-1-2019)	800
Debit balance of creditors (1-1-2019)	400
Credit balance of creditors (1-1-2019)	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
Return inwards	15,000
Return outwards	5,000
Discount allowed	15,000
Discount earned	7,000
Sundry expenses charged to debtors	3,000
Bills receivable received	25,000
Bills payable accepted	20,000
Bad debts	12,000
Provision for bad debts	7,000
Bills receivable dishonoured	6,000
Bad debts recovered	6,000
Transfers	10,000
Debit balance of creditors (31-12-2019)	100
Credit balance of debtors (31-12-2019)	500



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16. Fire occurred in the premises of Mangalore stores on 20-5-2018. The following figures were available, from the records of the stores.

Stock on 1-1-2017	1,00,000
Stock on 31-12-2017	2,32,000
Sales during the year 2017	9,00,000
Purchases during the year 2017	7,40,000
Sales returns during the year 2017	60,000
Purchases returns during the year 2017	20,000
Sales from 1-1-2018 to 20-5-2018	4,80,000
Purchases from 1-1-2018 to 20-5-2018	3,56,000
Sales returns 1-1-2018 to 20-5-2018	40,000
Goods drawn for personal use	10,000
Value of salvaged stock	90,000
The stores has taken fire policy	1,62,000

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

17. Explain the need for valuation of shares of a company and what are the methods of valuation of shares of a company?