

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Fifth Semester)

Branch – CORPORATE SECRETARYSHIP

CORPORATE ACCOUNTING - II

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions
ALL questions carry EQUAL marks (5 x 1 = 5)

- 1 ----- is the accounting standard for disclosure of Accounting Policies.
(i) AS- 1 (ii) AS- 11 (iii) AS- 111 (iv) AS - 21
- 2 An asset which does not generate income to the banker is termed as
(i) performing asset (ii) Fixed Asset
(iii) Non performing asset (iv) Current Asset
- 3 Claims paid by the life insurance companies is shown in _____
(i) Schedule 1 (ii) Schedule 2 (iii) Schedule 3 (iv) Schedule 4
- 4 Profits made by the subsidiary company after the date of purchase of shares by the holding company are known as _____
(i) Realisation Profit (ii) Revaluation Profit
(iii) Capital Profit (iv) Revenue Profit
- 5 A Contributory is a _____
(i) Unsecured Creditor (ii) Preferential Creditor
(iii) Shareholder (iv) Debenture holder

SECTION - B (15 Marks)

Answer ALL Questions
ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Sketch any two accounting standards for Fixed Asset.
OR
b Outline any two scope of Accounting Standards.
- 7 a On 31st December 1991 the loan ledger in the books of a bank showed a debit balance of Rs. 2,00,000 due from a merchant which is doubtful. The interest accrued on the loan upto 31st December 1991 was Rs 20,000 the merchant became insolvent and the official receiver paid a dividend of Re.0.75 in the rupee on 31st January 1992. Pass the necessary journal entries in the books of the bank on 31st December 1991 and 31st Jan and prepare necessary ledger.
OR
b Give the format of Profit and Loss A/C of Banking Companies Act.
- 8 a The revenue account of Life Insurance Company showed a balance of Rs.25,00,000 at the end of 2005-2006 before considering the following items:
1 Bonus in reduction of premium Rs.8,000 2 Outstanding claim Rs.8,000
3 Premium of Rs.1000 is payable under re-insurance
4 Reinsurance Recoveries Rs.30,000 5 Claims Intimated but not admitted Rs.15,000
6 Agent commission Rs.6,000
Pass necessary adjustment entries.
OR
b The revenue account of Life Insurance Company showed a balance of Rs.48,78,000 at the end of 2005-2006 before considering the following items:
1 Bonus in reduction of premium Rs.6,500
2 Outstanding premium Rs.18,000
3 Interest accrued on Investment Rs.19,500
4 Claims Intimated but not admitted Rs.65,500
5 Claims covered under re-insurance Rs.27,000
Pass necessary adjustment entries.

Cont...

- 9 a The following balance sheets are given as on 30.6.87

Liabilities	M.Co.Rs	S.Co.Rs	Assets	M.Co.Rs	S.Co.Rs
Share Capital 12,000 shares 3,000 shares	1,20,000 -----	 30,000	Buildings	72,000	25,000
Creditors	15,000	5,000	Machinery	30,000	10,000
Reserve	25,000	6,000	Stock	18,000	3,000
Profit & Loss	12,000	9,000	Debtors	22,000	7,000
	1,72,000	50,000	Bank	5,000	5,000
			Shares in S Co. 2,000 Shares	25,000	
	1,72,000	50,000		1,72,000	50,000

At the date of acquisition by M Co., S Co. had undistributed profits amounting to Rs.5, 000, none of which has been distributed since the date of acquisition. Prepare consolidated Balance Sheet.

OR

- b The balance sheets of C Ltd. And D Ltd as at 31st December 1986 is as follows:

Liabilities	C Ltd.Rs	D Ltd.Rs	Assets	C Ltd.Rs	D Ltd.Rs
Share Capital (in shares Of Rs 10 each)	2,00,000	1,00,000	Sundry assets	1,32,500	1,38,200
General reserve	18,000	20,000	Goodwill	-----	20,000
Profit & loss	24,500	23,000	Shares in D Ltd.at cost	1,00,000	-----
Creditors	30,000	15,200			
	2,72,500	1,58,200		2,72,500	1,58,200

In case of D ltd., Profits for the year ended 31st December 1986 is Rs. 12,000 and transfer to reserve in Rs.5, 000. The holding of C ltd., in D ltd is 90% acquired on 30th June 1986. Draft a consolidated Balance Sheet of C Ltd., and its subsidiary.

- 10 a Brief out a note on 'Contributory'.

OR

- b Solve the amount payable in equity shareholders from the following particulars.
12,000 Equity shares of Rs.10 each fully paid Rs.1,20,000
8,000 Equity shares of Rs.10 each Rs.7 paid up Rs.42,000
Amount available for equity shareholders Rs.1,08,000

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

- 11 Enumerate the provisions for disclosure of Accounting Policies.
- 12 Prepare the Profit and Loss a/c of Goodluck Bank Ltd., for the year ended 31.12.1988 for the following particulars (Rs '000)
- | | |
|---|-----|
| Interest on Loans | 250 |
| Interest on savings account | 150 |
| Interest on cash credits | 160 |
| Interest on fixed deposits | 190 |
| Interest on overdrafts | 150 |
| Amount charged against current accounts | 20 |
| Rebate on Bills discounted | 19 |
| Establishment expenses | 120 |
| Discount on bills discounted | 40 |
| Rent | 5 |
| Dearness allowances | 35 |
| Commission, exchange and discount | 15 |
| Managing director salary | 15 |
| Contribution to provident fund | 10 |
- Bad debts to be written off amounted to Rs 20,000 and provision for taxation may be at 55%.

Cont...

- 13 Infer from the following balances are extracted from the books of a Life Insurance business as on 31st March 2006
- | | Rs (,000) |
|-------------------------------------|-----------|
| Life Assurance Fund as on 1.4.05 | 5,06,000 |
| Premium | 90,000 |
| Reinsurance premium paid | 2075 |
| Fines for revival of policies | 15 |
| Consideration for annuities granted | 1500 |
| Management expenses | 21,000 |
| Income tax | 850 |
| Commission | 18,650 |
| Claims | 40,000 |
| Interest, dividend etc | 20,000 |
| Surrenders | 3250 |
| Medical Fees | 1,500 |
| Annuities | 1505 |
| Bonus in cash | 600 |
- Prepare the Revenue A/c for the year 2005-06 after making the following adjustments:
- (a) Claim payable 9250 (b) Interest accrued on Investment 2695
 (c) Medical fees outstanding 375 (d) Outstanding premium 3750
 (e) Commission payable 750
 (f) A claim of Rs 500 included in the above claim payable is to be written off
 (d) The managing Director is to paid at the rate of 5% on the net increase of Life Assurance Fund before providing such commission.

- 14 Discover the consolidated balance sheet on 31st March 1996 the balance sheet of H Ltd., and its subsidiary S Ltd stood as follows:

Balance sheet as on 31.12.1992

Liabilities	H ltd.,	S Ltd.,	Asset	H Ltd.,	S Ltd.,
Equity share capital	8,00,000	2,00,000	Fixed Asset	5,50,000	1,00,000
General Reserve	1,50,000	70,000	75% shares in S Ltd	2,80,000	-
Profit & Loss a/c	90,000	55,000	Stock	1,05,000	1,77,000
Creditors	1,20,000	80,000	Other Current Asset	2,25,000	1,28,000
	-----	-----		-----	-----
	11,60,000	4,05,000		11,60,000	4,05,000

Draw a consolidated Balance Sheet as at 31st March 1996 after taking into account

- (a) H Ltd., acquired the shares on 31 July 1995
 (b) S Ltd., earned profit of Rs 45,000 for the year ended 31st March 1996
 (c) In Jan 1996 S Ltd sold to H Ltd., goods costing Rs 15,000 for Rs 20,000 On 31st March 1996 half of these goods were lying as unsold in the godown of H Ltd.,
- 15 Summarize from the following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare liquidators final account allowing for his remuneration @ 3% on the amount realized and 2.5 % on the amount paid to unsecured creditors.
- 5,000 preference shares of Rs 100 each fully paid
 30,000 equity shares of Rs 10 each fully paid
 12,000 equity shares of Rs 10 each Rs 8 paid up
 Assets realized Rs 9,24,000 excluding amount realized by sale of securities held by the secured creditors.
 Preferential creditors 24,000
 Unsecured creditor (security realized Rs 1,62,000) 1,38,000
 Debentures having a floating charge on assets 3,00,000
 Expenses of liquidation amounted to Rs 9,000
 A call of Rs 2 per share on the partly paid equity equity shares was duly paid except in case of one shareholder owning 1,200 shares.

Z-Z-Z

END