

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION DECEMBER 2025
(Fifth Semester)

Branch- CORPORATE SECRETARYSHIP

CORPORATE ACCOUNTING - II

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

| Module No. | Question No. | Question | K Level | CO |
|------------|--------------|--|---------|-----|
| 1 | 1 | Who is responsible for issuing Accounting Standards in India? a) Reserve Bank of India (RBI) b) Ministry of Finance c) Institute of Chartered Accountants of India (ICAI) d) Securities and Exchange Board of India (SEBI) | K1 | CO1 |
| | 2 | Which of the following Accounting Standards deals with depreciation? a) AS b) AS 10 c) AS 16 d) AS 2 | K2 | CO1 |
| 2 | 3 | The percentage of profit to be transferred to statutory reserve by the banking Company is _____ a) 25% b) 15% c) 10% d) 20% | K1 | CO2 |
| | 4 | Schedule 13 relates to _____ a) Interest earned b) Interest expended c) Operating expenses d) Other Income. | K2 | CO2 |
| 3 | 5 | Number of Schedules required to be prepared by the insurance companies for their financial statements are _____ a) 26 Schedules b) 10 Schedules c) 12 Schedule d) 15 Schedules | K1 | CO3 |
| | 6 | Claims paid by life insurance companies is shown in ----- a) Schedule 1 b) Schedule 2 c) Schedule 3 d) Schedule 4 | K2 | CO3 |
| 4 | 7 | A Company in which more than 50% of shares are held by another company is termed as _____ a) Holding Company b) Subsidiary Company c) Govt. Company d) Public Company | K1 | CO4 |
| | 8 | Which accounting standard deals with consolidated financial statements for holding companies? a) AS 10 b) AS 18 c) AS 21 d) AS 6 | K2 | CO4 |
| 5 | 9 | Preferential Creditors are shown in the Statement of affairs under _____ a) List A b) List B c) List C (d) List D | K1 | CO5 |
| | 10 | List H shows _____ Account a) Deficiency or Surplus b) Creditors c) Shareholders d) Debenture holders | K2 | CO5 |

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

| Module No. | Question No. | Question | K Level | CO |
|------------|--------------|--|---------|-----|
| 1 | 11.a. | Explain Accounting Standards and their objectives. | K3 | CO1 |
| | | (OR) | | |
| | 11.b. | List out the advantages of Accounting Standards. | | |

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|--|---|--|----|--------------|------------------------|-----------|---|----------------------|---|--------------|------------------------|--------|----------------------------------|--|--------------------------------|--------------|---|--------|----|-----|
| 2 | 12.a. | <p>Following On 31st March 2021, Bharat Commercial Bank Ltd., finds its advances classified as follows:</p> <table><tr><td></td><td>Rs.</td></tr><tr><td>Standard assets</td><td>14,91,300</td></tr><tr><td>Sub-standard assets</td><td>92,800</td></tr><tr><td>Doubtful assets (secured) :</td><td></td></tr><tr><td> Doubtful for one year</td><td>25,660</td></tr><tr><td> Doubtful for one year to 3 years</td><td>15,640</td></tr><tr><td> Doubtful for more than 3 years</td><td>6,580</td></tr><tr><td>Loss Assets</td><td>10,350</td></tr></table> <p>Calculate the amount of provision to be made by the bank against the above mentioned advances.</p> | | Rs. | Standard assets | 14,91,300 | Sub-standard assets | 92,800 | Doubtful assets (secured) : | | Doubtful for one year | 25,660 | Doubtful for one year to 3 years | 15,640 | Doubtful for more than 3 years | 6,580 | Loss Assets | 10,350 | K5 | CO2 |
| | | Rs. | | | | | | | | | | | | | | | | | | |
| | Standard assets | 14,91,300 | | | | | | | | | | | | | | | | | | |
| Sub-standard assets | 92,800 | | | | | | | | | | | | | | | | | | | |
| Doubtful assets (secured) : | | | | | | | | | | | | | | | | | | | | |
| Doubtful for one year | 25,660 | | | | | | | | | | | | | | | | | | | |
| Doubtful for one year to 3 years | 15,640 | | | | | | | | | | | | | | | | | | | |
| Doubtful for more than 3 years | 6,580 | | | | | | | | | | | | | | | | | | | |
| Loss Assets | 10,350 | | | | | | | | | | | | | | | | | | | |
| (OR) | | | | | | | | | | | | | | | | | | | | |
| 12.b. | <p>From the following details relating to a banking company, find out the profit balance carried over to the balance sheet:</p> <table><tr><td>a) Interest earned</td><td>-</td><td>Rs.5, 25,000</td></tr><tr><td>b) other incomes</td><td>-</td><td>Rs.2, 20,440</td></tr><tr><td>c) Interest expended</td><td>-</td><td>Rs.1, 25,000</td></tr><tr><td>d) operating expenses</td><td>-</td><td>Rs.1, 83,686</td></tr><tr><td>e) Profit brought forward from the previous year -</td><td></td><td>Rs.1, 00,640</td></tr><tr><td>f) Transfer to statutory reserve at 25%</td><td></td><td></td></tr></table> | a) Interest earned | - | Rs.5, 25,000 | b) other incomes | - | Rs.2, 20,440 | c) Interest expended | - | Rs.1, 25,000 | d) operating expenses | - | Rs.1, 83,686 | e) Profit brought forward from the previous year - | | Rs.1, 00,640 | f) Transfer to statutory reserve at 25% | | | |
| a) Interest earned | - | Rs.5, 25,000 | | | | | | | | | | | | | | | | | | |
| b) other incomes | - | Rs.2, 20,440 | | | | | | | | | | | | | | | | | | |
| c) Interest expended | - | Rs.1, 25,000 | | | | | | | | | | | | | | | | | | |
| d) operating expenses | - | Rs.1, 83,686 | | | | | | | | | | | | | | | | | | |
| e) Profit brought forward from the previous year - | | Rs.1, 00,640 | | | | | | | | | | | | | | | | | | |
| f) Transfer to statutory reserve at 25% | | | | | | | | | | | | | | | | | | | | |
| 3 | 13.a. | <p>Calculate the amount of benefits paid(Net) to be delivered in Schedule4 of Life insurance company :</p> <table><tr><td></td><td>Rs</td></tr><tr><td>Claims paid</td><td>1, 97,000</td></tr><tr><td>Claims outstanding at the end of the year</td><td>10,000</td></tr><tr><td>Claims outstanding at the beginning of the year</td><td>7000</td></tr><tr><td>Reinsurance recoveries</td><td>80,000</td></tr><tr><td>Annuities paid</td><td>10,000</td></tr><tr><td>Surrenders paid</td><td>7,000</td></tr></table> | | Rs | Claims paid | 1, 97,000 | Claims outstanding at the end of the year | 10,000 | Claims outstanding at the beginning of the year | 7000 | Reinsurance recoveries | 80,000 | Annuities paid | 10,000 | Surrenders paid | 7,000 | K3 | CO3 | | |
| | | Rs | | | | | | | | | | | | | | | | | | |
| | Claims paid | 1, 97,000 | | | | | | | | | | | | | | | | | | |
| Claims outstanding at the end of the year | 10,000 | | | | | | | | | | | | | | | | | | | |
| Claims outstanding at the beginning of the year | 7000 | | | | | | | | | | | | | | | | | | | |
| Reinsurance recoveries | 80,000 | | | | | | | | | | | | | | | | | | | |
| Annuities paid | 10,000 | | | | | | | | | | | | | | | | | | | |
| Surrenders paid | 7,000 | | | | | | | | | | | | | | | | | | | |
| (OR) | | | | | | | | | | | | | | | | | | | | |
| 13.b. | What do you understand by Life Assurance Fund? | | | | | | | | | | | | | | | | | | | |
| 4 | 14.a. | <p>X Ltd. Purchased 60% shares of Y Ltd. on 1.1.2021 when the balance on their P&LA/c and General reserve was RS.1, 50,000 and Rs.1, 60,000 respectively. On 31.12.2020 the balance sheet of Y Ltd.showed P&L a/c balance of Rs.4,00,000 and General reserve Rs.3, 00,000. Calculate Capital profits and Revenue profits.</p> | K5 | CO4 | | | | | | | | | | | | | | | | |
| | (OR) | | | | | | | | | | | | | | | | | | | |
| | 14.b. | Explain the concept of consolidation of financial statements in the context of holding company accounts. | | | | | | | | | | | | | | | | | | |
| 5 | 15.a. | <p>The following particulars relate to a limited company which went into voluntary liquidation:</p> <table><tr><td></td><td>Rs.</td></tr><tr><td>Preferential Creditors</td><td>25,000</td></tr><tr><td>Unsecured creditors</td><td>58,000</td></tr><tr><td>6% Debentures</td><td>30,000</td></tr></table> <p>The assets realized Rs .80,000 .The expenses of liquidation amounted to Rs.1,500 and the Liquidator's remuneration was agreed at 2 ½ % on the amount realised and 2% on the amount paid to unsecured creditors including preferential creditors. You are required to prepare the Liquidator's final statement of Accounts.</p> | | Rs. | Preferential Creditors | 25,000 | Unsecured creditors | 58,000 | 6% Debentures | 30,000 | K4 | CO5 | | | | | | | | |
| | | Rs. | | | | | | | | | | | | | | | | | | |
| | Preferential Creditors | 25,000 | | | | | | | | | | | | | | | | | | |
| Unsecured creditors | 58,000 | | | | | | | | | | | | | | | | | | | |
| 6% Debentures | 30,000 | | | | | | | | | | | | | | | | | | | |
| (OR) | | | | | | | | | | | | | | | | | | | | |
| 15.b. | Explain the procedure for preparation of Statement of affairs. | | | | | | | | | | | | | | | | | | | |

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SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

| Module No. | Question No. | Question | K Level | CO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------|--|---|----------------|--------------|----------------|-------------------|--------------|---|-----------|----------------------------|---------------------|----------------|----------|----------------------------|----------|---------------------------|--------|---------------------------------|----------|-----------------------------|----------|-------------------------------------|---------|-----------------------------------|----------|------------------------------|----------|-------------------------------|------------------|------------------------------|-------|-------------------------------|-------|-----------------------------|---|-------------------------------|-----------|----|-----------|----------|--|-----------|----------|----|-----|
| 1 | 16 | Distinguish between Indian Accounting Standards (Ind AS) and Accounting Standards (AS). Also, explain the applicability of Ind AS in India. | K5 | CO1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 17 | <div>From the following particulars prepare profit and loss A/c of new bank ltd.,for the year ended 31.12.2024.</div> <table><tr><td></td><td>Rs. (000')</td><td></td><td>Rs. (000')</td></tr><tr><td>Interest on loans</td><td>260</td><td>Interest on cash credits</td><td>225</td></tr><tr><td>Interest on fixed deposits</td><td>280</td><td>Rent and taxes</td><td>20</td></tr><tr><td>Rebate on bills discounted</td><td>50</td><td>Interest on overdrafts</td><td>56</td></tr><tr><td>Commission charged to customers</td><td>9</td><td>Directors and auditors fees</td><td>4</td></tr><tr><td>Establishment expenses</td><td>56</td><td>Interest on savings bank accounts</td><td>70</td></tr><tr><td>Discount on bills discounted</td><td>200</td><td>Postage and telegram</td><td>2</td></tr><tr><td>Interest on current accounts</td><td>45</td><td>Sundry charges</td><td>2</td></tr><tr><td>Printing and advertisements</td><td>3</td><td></td><td></td></tr></table> | | Rs. (000') | | Rs. (000') | Interest on loans | 260 | Interest on cash credits | 225 | Interest on fixed deposits | 280 | Rent and taxes | 20 | Rebate on bills discounted | 50 | Interest on overdrafts | 56 | Commission charged to customers | 9 | Directors and auditors fees | 4 | Establishment expenses | 56 | Interest on savings bank accounts | 70 | Discount on bills discounted | 200 | Postage and telegram | 2 | Interest on current accounts | 45 | Sundry charges | 2 | Printing and advertisements | 3 | | | K3 | CO2 | | | | | | |
| | Rs. (000') | | Rs. (000') | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on loans | 260 | Interest on cash credits | 225 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on fixed deposits | 280 | Rent and taxes | 20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rebate on bills discounted | 50 | Interest on overdrafts | 56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commission charged to customers | 9 | Directors and auditors fees | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Establishment expenses | 56 | Interest on savings bank accounts | 70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Discount on bills discounted | 200 | Postage and telegram | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on current accounts | 45 | Sundry charges | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Printing and advertisements | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 18 | <div>Prepare the revenue account of jai Hind life Assurance company Ltd., for the year ended 31st March 2022 from the following figures.</div> <table><tr><td></td><td>Rs. ('000)</td><td></td><td>Rs. ('000)</td></tr><tr><td>Claims by death</td><td>76,140</td><td>Expenses of management</td><td>31,920</td></tr><tr><td>Claims by Maturity</td><td>30,110</td><td>Commission</td><td>9,574</td></tr><tr><td>Premiums</td><td>7,05,690</td><td>Interest, dividend & rent</td><td>97,840</td></tr><tr><td>Transfer fees</td><td>129</td><td>Income tax thereon</td><td>35,710</td></tr><tr><td>Consideration for annuities granted</td><td>82,127</td><td>Surrenders</td><td>13,140</td></tr><tr><td>Annuities paid</td><td>53,461</td><td>Bonus in reduction of premium</td><td>980</td></tr><tr><td>Bonus paid in Cash</td><td>2,416</td><td>Dividend paid to shareholders</td><td>5500</td></tr><tr><td></td><td></td><td>Life assurance fund(1.4.2021)</td><td>15,21,000</td></tr></table> | | Rs. ('000) | | Rs. ('000) | Claims by death | 76,140 | Expenses of management | 31,920 | Claims by Maturity | 30,110 | Commission | 9,574 | Premiums | 7,05,690 | Interest, dividend & rent | 97,840 | Transfer fees | 129 | Income tax thereon | 35,710 | Consideration for annuities granted | 82,127 | Surrenders | 13,140 | Annuities paid | 53,461 | Bonus in reduction of premium | 980 | Bonus paid in Cash | 2,416 | Dividend paid to shareholders | 5500 | | | Life assurance fund(1.4.2021) | 15,21,000 | K5 | CO3 | | | | | | |
| | Rs. ('000) | | Rs. ('000) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Claims by death | 76,140 | Expenses of management | 31,920 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Claims by Maturity | 30,110 | Commission | 9,574 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premiums | 7,05,690 | Interest, dividend & rent | 97,840 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfer fees | 129 | Income tax thereon | 35,710 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consideration for annuities granted | 82,127 | Surrenders | 13,140 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annuities paid | 53,461 | Bonus in reduction of premium | 980 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bonus paid in Cash | 2,416 | Dividend paid to shareholders | 5500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Life assurance fund(1.4.2021) | 15,21,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | 19 | <div>From the following balance sheet relating to H Ltd and S Ltd. Prepare a consolidated balance sheet.</div> <table><tr><td></td><td>H Ltd. Rs</td><td>S Ltd. Rs</td><td>Assets</td><td>H Ltd. Rs</td><td>S Ltd. Rs</td></tr><tr><td>Share capital (in shares of Rs.10each)</td><td>10,00,000</td><td>2,00,000</td><td>sundry fixed assets</td><td>8,00,000</td><td>1,20,000</td></tr><tr><td>Profit & Loss A/c</td><td>4,00,000</td><td>1,20,000</td><td>Stock</td><td>6,10,000</td><td>2,40,000</td></tr><tr><td>General reserve</td><td>1,00,000</td><td>60,000</td><td>Debtors</td><td>1,30,000</td><td>1,70,000</td></tr><tr><td>Creditors</td><td>2,00,000</td><td>1,20,000</td><td>Bills receivable</td><td>10,000</td><td>Nil</td></tr><tr><td>B/P</td><td>-----</td><td>30,000</td><td>Shares in S ltd .at cost (15,000 shares)</td><td>1,50,000</td><td>-</td></tr><tr><td></td><td>17,00,000</td><td>5,30,000</td><td></td><td>17,00,000</td><td>5,30,000</td></tr></table> | | H Ltd. Rs | S Ltd. Rs | Assets | H Ltd. Rs | S Ltd. Rs | Share capital (in shares of Rs.10each) | 10,00,000 | 2,00,000 | sundry fixed assets | 8,00,000 | 1,20,000 | Profit & Loss A/c | 4,00,000 | 1,20,000 | Stock | 6,10,000 | 2,40,000 | General reserve | 1,00,000 | 60,000 | Debtors | 1,30,000 | 1,70,000 | Creditors | 2,00,000 | 1,20,000 | Bills receivable | 10,000 | Nil | B/P | ----- | 30,000 | Shares in S ltd .at cost (15,000 shares) | 1,50,000 | - | | 17,00,000 | 5,30,000 | | 17,00,000 | 5,30,000 | K5 | CO4 |
| | H Ltd. Rs | S Ltd. Rs | Assets | H Ltd. Rs | S Ltd. Rs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Share capital (in shares of Rs.10each) | 10,00,000 | 2,00,000 | sundry fixed assets | 8,00,000 | 1,20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit & Loss A/c | 4,00,000 | 1,20,000 | Stock | 6,10,000 | 2,40,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General reserve | 1,00,000 | 60,000 | Debtors | 1,30,000 | 1,70,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Creditors | 2,00,000 | 1,20,000 | Bills receivable | 10,000 | Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B/P | ----- | 30,000 | Shares in S ltd .at cost (15,000 shares) | 1,50,000 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 17,00,000 | 5,30,000 | | 17,00,000 | 5,30,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|-----------|---|--|-----|------------------------|-------|---------------------|-----------|--|-----------|---|-----------|--|--|----|-----|
| | | <p>Additional information:</p> <p>a) All profit of S Ltd have been earned after the shares were acquired by H.Ltd. but there was already a reserve of Rs.60, 000 on that date.</p> <p>b) All the bills payable of S Ltd .were accepted in favour of H Ltd.</p> <p>c) The stock of H Ltd includes Rs.50, 000 purchased from S Ltd. The profit added was 25% on cost.</p> | | | | | | | | | | | | | | |
| 5 | 20 | <p>The following particulars relate to a limited company which has gone into voluntary Liquidation. You are required to prepare the liquidator's final account allowing for his remuneration @ 3% on the amount realized and 2.5% on the amount paid to the unsecured creditors.</p> <p>Share capital issued:</p> <p>5,000 preference shares of Rs.100 each (fully paid)</p> <p>30,000 Equity shares of Rs.10 each fully paid</p> <p>12,000 Equity shares of Rs.10 each, Rs.8 paid up.</p> <p>Assets realised Rs. 9, 24,000 excluding amount realized by sale of securities held by the Secured creditors.</p> <table><tr><td></td><td>Rs.</td></tr><tr><td>Preferential creditors</td><td>24000</td></tr><tr><td>Unsecured creditors</td><td>8, 51,094</td></tr><tr><td>Secured creditors (Security realized Rs.1, 62,000)</td><td>1, 38,000</td></tr><tr><td>Debentures having floating charge on the assets</td><td>3, 00,000</td></tr><tr><td>Expenses of liquidation amounted to Rs.9,000</td><td></td></tr></table> <p>A call of Rs.2 per share on the partly paid equity shares was duly paid except in case of one shareholder owning 1,200 shares.</p> | | Rs. | Preferential creditors | 24000 | Unsecured creditors | 8, 51,094 | Secured creditors (Security realized Rs.1, 62,000) | 1, 38,000 | Debentures having floating charge on the assets | 3, 00,000 | Expenses of liquidation amounted to Rs.9,000 | | K4 | CO5 |
| | Rs. | | | | | | | | | | | | | | | |
| Preferential creditors | 24000 | | | | | | | | | | | | | | | |
| Unsecured creditors | 8, 51,094 | | | | | | | | | | | | | | | |
| Secured creditors (Security realized Rs.1, 62,000) | 1, 38,000 | | | | | | | | | | | | | | | |
| Debentures having floating charge on the assets | 3, 00,000 | | | | | | | | | | | | | | | |
| Expenses of liquidation amounted to Rs.9,000 | | | | | | | | | | | | | | | | |

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END