

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

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

Branch- CORPORATE SECRETARIALSHIP

**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 1      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 31<sup>st</sup> March 2021, Bharat Commercial Bank Ltd., finds its advances classified as follows:</p> <table> <thead> <tr> <th></th><th style="text-align: right;">Rs.</th></tr> </thead> <tbody> <tr> <td>Standard assets</td><td style="text-align: right;">14,91,300</td></tr> <tr> <td>Sub-standard assets</td><td style="text-align: right;">92,800</td></tr> <tr> <td>Doubtful assets (secured) :</td><td></td></tr> <tr> <td>    Doubtful for one year</td><td style="text-align: right;">25,660</td></tr> <tr> <td>    Doubtful for one year to 3 years</td><td style="text-align: right;">15,640</td></tr> <tr> <td>    Doubtful for more than 3 years</td><td style="text-align: right;">6,580</td></tr> <tr> <td>Loss Assets</td><td style="text-align: right;">10,350</td></tr> </tbody> </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
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3	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> <tbody> <tr> <td>a) Interest earned</td><td style="text-align: right;">Rs.5, 25,000</td></tr> <tr> <td>b) other incomes</td><td style="text-align: right;">Rs.2, 20,440</td></tr> <tr> <td>c) Interest expended</td><td style="text-align: right;">Rs.1, 25,000</td></tr> <tr> <td>d) operating expenses</td><td style="text-align: right;">Rs.1, 83,686</td></tr> <tr> <td>e) Profit brought forward from the previous year</td><td style="text-align: right;">Rs.1, 00,640</td></tr> <tr> <td>f) Transfer to statutory reserve at 25%</td><td></td></tr> </tbody> </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%		K3	CO3				
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<p>Calculate the amount of benefits paid(Net) to be delivered in Schedule4 of Life insurance company :</p> <table> <thead> <tr> <th></th><th style="text-align: right;">Rs</th></tr> </thead> <tbody> <tr> <td>Claims paid</td><td style="text-align: right;">1, 97,000</td></tr> <tr> <td>Claims outstanding at the end of the year</td><td style="text-align: right;">10,000</td></tr> <tr> <td>Claims outstanding at the beginning of the year</td><td style="text-align: right;">7000</td></tr> <tr> <td>Reinsurance recoveries</td><td style="text-align: right;">80,000</td></tr> <tr> <td>Annuities paid</td><td style="text-align: right;">10,000</td></tr> <tr> <td>Surrenders paid</td><td style="text-align: right;">7,000</td></tr> </tbody> </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						
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4	13.a.	(OR)	K3	CO3																
	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&amp;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&amp;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																
	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> <thead> <tr> <th></th><th style="text-align: right;">Rs.</th></tr> </thead> <tbody> <tr> <td>Preferential Creditors</td><td style="text-align: right;">25,000</td></tr> <tr> <td>Unsecured creditors</td><td style="text-align: right;">58,000</td></tr> <tr> <td>6% Debentures</td><td style="text-align: right;">30,000</td></tr> </tbody> </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 1/2 % 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								
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	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 x 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	From the following particulars prepare profit and loss A/c of new bank ltd., for the year ended 31.12.2024.	<table border="1"> <thead> <tr> <th></th><th>Rs. ('000')</th><th></th><th>Rs. ('000')</th></tr> </thead> <tbody> <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> </tbody> </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						
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3	18	Prepare the revenue account of jai Hind life Assurance company Ltd., for the year ended 31 <sup>st</sup> March 2022 from the following figures.	<table border="1"> <thead> <tr> <th></th><th>Rs. ('000)</th><th></th><th>Rs. ('000)</th></tr> </thead> <tbody> <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 &amp; 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> </tbody> </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						
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4	19	From the following balance sheet relating to H Ltd and S Ltd. Prepare a consolidated balance sheet.	<table border="1"> <thead> <tr> <th>Liabilities</th><th>H Ltd. Rs</th><th>S Ltd. Rs</th><th>Assets</th><th>H Ltd. Rs</th><th>S Ltd. Rs</th></tr> </thead> <tbody> <tr> <td>Share capital (in shares of Rs.10 each)</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 &amp; 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> </tbody> </table>	Liabilities	H Ltd. Rs	S Ltd. Rs	Assets	H Ltd. Rs	S Ltd. Rs	Share capital (in shares of Rs.10 each)	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
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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) 30,000 Equity shares of Rs.10 each fully paid 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> <thead> <tr> <th></th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Preferential creditors</td> <td style="text-align: right;">24000</td> </tr> <tr> <td>Unsecured creditors</td> <td style="text-align: right;">8, 51,094</td> </tr> <tr> <td>Secured creditors (Security realized Rs.1, 62,000)</td> <td style="text-align: right;">1, 38,000</td> </tr> <tr> <td>Debentures having floating charge on the assets</td> <td style="text-align: right;">3, 00,000</td> </tr> <tr> <td>Expenses of liquidation amounted to Rs.9,000</td> <td></td> </tr> <tr> <td>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.</td> <td></td> </tr> </tbody> </table>		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		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.		K4	CO5
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Z-Z-Z                   END