

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom(CS) DEGREE EXAMINATION MAY 2019
(Fifth Semester)

Branch - **CORPORATE SECRETARYSHIP**

CORPORATE ACCOUNTING - II

Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10 x 2 = 20)

What is rebate on bills discounted?

What is statutory reserve?

What is reinsurance?

What is meant by life assurance fund?

What is clear profit?

What is disposal of surplus?

What do you understand by stock and debtor system?

What is branch adjustment account?

What do you understand by indiminty period?

What is the purpose of fire insurance?

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5x5 = 25)

The trial balance of the Nedungadi Bank LTd., as on 30th June 1987 shows the following balances.

	Rs.
Interest and discount	45,40,600
Rebate on bills discounted (1.7.83)	4,750
Bills discounted and purchased	3,37,400

The unexpired discount as on 30.6.84 is estimated to be Rs. 5,560. Draft necessary adjusting entries and calculate the amount of interest and discount to be credited to profit and loss account.

OR

From the following particulars relating to the Punjab Bank Ltd., ascertain the profit balance carried over to the balance sheet.

	Rs.
Net profit for the year	1,27,350
Profit brought forward from the previous year	1.20,000
Transfer to statutory reserve	20%
Transfer to other reserves	10%
Transfer to proposed dividend	20,000

The revenue account of a life insurance company showed a balanced of Rs. 4,75,000 at the end of 1983 before considering the following items.

	Rs.
a) Bonus in reduction of premiums	40,000
b) Outstanding premiums	1,00,000
c) Interest accrued on investments	20,000
d) Claims intimated but not admitted	35,000
e) Claims recovered under reinsurance	3,000

Pass necessary adjustment entires.

OR

From the following particulars, prepare the fire revenue account for 1996.

	Rs.
Claim paid	2,35,000
Legal expenses regarded claims	5,000
Premiums received	6,00,000
Reinsurance	60,000

12 b Cont...

Provision against unexpired risk on 1.1.1996	2,60,000
Claim unpaid on 1.1.1996	20,000
Claim unpaid on 31.12.1996	35,000

13 a The figures given below relate to the city electric supply Co. Ltd prepare revenue A/c for the year ended 31.3.2004.

	Rs.
Sales of current	1,04,000
Rent of meters	4,000
Cost of Generation	28,000
Cost of distribution	4,000
Rent, rate & tax	4,000
Management expenses	25,600

OR

- b The southern Railway, built a station 20 years ago at a cost Rs. 40,000 owing to increase in the cost of labour and materials, a similar station would now cost Rs. 60,000. The station, having proved inadequate for the increased traffic, is rebuilt at a cost of Rs. 1,40,000. Old materials to the value of Rs. 4,000 are utilized in the new construction and included in the above cost the remaining old materials are sold for Rs. 6,000. Apportion the new expenditure between capital and revenue.

14 a From the following data. Compute gross profit of the branch :

	Rs.
Goods received from the H.O at invoice price	60,000
Returns to H.O at invoice price	1,200
Branch stock on 1.1.97 at invoice price	6,000
Branch stock at invoice price on 31.3.98	12,000
Surplus stock (found in branch stock Ac)	2,400

Good are invoiced to branch at cost plus 25%.

OR

- b Mixed goods were purchased for Rs. 1,00,000 and later they were assorted into the three categories X, Y, Z as follows

X	1,000	Selling price Rs. 20 each
Y	2,000	Selling price Rs. 22.50 each
Z	2,400	Selling price Rs. 25 each

All categories yield the same rate of profit. Calculate the purchase price of each category.

15 a From the following calculate the amount of claim in respect of a fire occurred in a business on 31.12.99.

	Rs.
Sales 1-4-99- 31-12-99	12,00,000
Purchases 1 -4-99 - 31 -12-99	8,00,000
Stock on 31-3-99	2,00,000

Gross profit - 25% on sales.

OR

- b From the following data ascertain gross profit ratio for purpose of computing loss of stock claims:

	1999	2000	2001
	Rs.	Rs.	Rs.
Sales	4,00,000	5,00,000	8,00,000
Purchases	3,00,000	3,60,000	6,30,000
Opening stock	20,000	40,000	60,000
Closing stock	40,000	60,000	1,14,000

SECTION - C (30 Marks)

'12 b Cont ...

(Rs. in 000)

Interest on deposits	3,200
Commission (Cr)	100
Interest on loans	2,490
Sundry charges (Dr)	100
Rent and taxes	200
Establishment	500
Discount on bills discounted	1,490
Interest on overdrafts	1,600
Interest on cash credits	2,320
Auditors' fees	35
Director's fees	16
Bad debts to be written off	300

- 17 The following were the revenue items of a life insurance company for the year ended 31.3.1991.

	Rs.		Rs.
Premiums	20,15,000	Exp. of management	1,30,000
Surrenders	97,000	Claims	13,97,500
Interest, dividend rent (net)	6,50,000	Annuities	5,33,000
Bonus in cash	58,000	Commission	65,000
Bonus in reduction of premiums	2,600	Consideration for	
Life fund on 1.4.1990	25,00,000	annuities granted	7,15,000

At the valuation on 31.3.1991 the actuary's certificate disclosed the net liability on policies and annuities at Rs. 28,80,000.

Prepare revenue A/c and ascertain the valuation surplus.

- 18 From the following particulars draw up (i) Balance sheets as on 31.12.03 on the basis of the single account system, and (ii) the capital A/c and the general balance sheet, as on the same date, under the double account system:

Authorised capital: 3000 shares of Rs. 10 each of which issued and paid capital is Rs. 27,000; 6% debentures Rs. 3,000 trade creditors Rs. 1,600; trade debtors Rs. 3,800; cash at bank Rs. 3,500 stock - in - trade Rs. 2,400; profit & loss A/c Rs. 1,600; Land Rs. 3,700; machineries Rs. 16,000; shifting Rs. 5,000 building Rs. 1,300; Depreciation fund (machinery) Rs. 2,500.

- 19 Mehta Ram of Ram Nagar purchased foods for his three departments as follows

Dept X	-	200 units	"I
Dept Y	-	1,400 units	L Total Cost Rs. 5,100
Dept Z	-	400 units	J

Sales of the three departments were as follows

Dept X	-	180 units	@ Rs. 15	perunit
Dept Y	-	1,500 units	@ Rs. 18	perunit
Dept Z	-	450 units	@ Rs. 6	per unit

Other information about stock in the beginning was as follows

Dept X	-	100 units
Dept Y	-	400 units
Dept Z	-	60 units

Mehta Ram inform you that the rate of gross profit is the same in all department you are required to prepare departmental trading A/c.

- 20 A fire occurred in the godown of a company on 20th March 1995. All stock were destroyed except of Rs. 13,000. From the following figures ascertain the claim amount in respect of loss of stock by fire:

	Rs.
Stock on 1-1-1994	40,000
Purchases during 1994	1,40,000
Sales during 1994	2,00,000
Stock on 31-12-1994	24,000
Purchases during 1995 upto the date of fire	1,46,000