

B.Com. - II (CBCS Pattern) Semester-IV
UCA4C06 - Corporate Accounting Paper-II

P. Pages : 8

Time : Three Hours



GUG/W/24/12035(S)

Max. Marks : 60

- Notes :
1. All questions are compulsory.
 2. All questions carry equal marks.

1. a) The following are the particulars of Maharashtra Bank Ltd as on 31st March, 2022.

6

	Rs.
Commission charged to customers	7,000
Discount on Bills Discounted	2, 10,000
Director's Fees	5,000
Establishment Expenses	92,000
Interest on cash credit Account	2,40,000
Interest on Loans	2,80,000
Interest on Fixed Deposits	2,98,000
Auditor's Fees	3,000
Interest on current Accounts	45,000
Interest on overdraft	60,000
Interest on Saving Bank Account	72,000
Postage	2,000
Printing and stationary	3,000
Rebate on Bills Discounted (to be adjusted)	55,000
Rent and Taxes	22,000

Transfer 20% of Profit to Statutory Reserve.

Prepare profit and loss Account for the year ended 31-03-2022.

- b) From the following Trial Balance as on 31st March, 2021 and additional information.
Prepare Balance Sheet of India Bank Ltd, as on at 31-3-2021

6

Particulars	Dr.	Particulars	Cr.
Cash Credit	1,00,000	Share Capital	20,000
Cash in hand	15,000	Statutory Reserve	27,000
Cash with other banks	18,000	Net Profit (before appropriation)	14,000
Cash with R.B.I	5,000	Profit & Loss Account (1-4-2020)	38,000
Money at Call & Short Notice	20,000	Fixed Deposits	79,000
Govt. Securities	42,000	Savings Deposits	44,000
Gold	2,000	Current Accounts	51,600
Premises	17,000	Borrowings from other bank	16,000
Term Loans	65,000	Bills Payable	400
Furniture	6,000		
	2,90,000		2,90,000

Other Information:

- 1) Transfer 20% of Profit to Statutory Reserve.

OR

- c) Dhanlaxmi Bank Ltd. has an authorized capital of Rs. 10,00,000 in Equity Shares of Rs. 100 each. Its trial balance as on 31st March, 2023 was as follows: **12**

Particulars	Dr. (Rs.)	Cr. (Rs.)
Issued & Subscribed Capital: 5,000 shares Rs. 100 each		5,00,000
Premises less depreciation	2,00,000	
Office Car less depreciation	50,000	
Money at Call & Short Notice	3,00,000	
Bills Discounted & Purchased	1,00,000	
Furniture less depreciation	32,500	
Deposits		23,50,000
Investments	12,50,000	
Interest and Discount		4,00,000
Reserve Fund		3,00,000
Cash in hand	1,83,000	
Loans & Advances	16,00,000	
Profit & Loss A/c Balance on 1-4-2022		75,000
Pension Fund		25,000
Borrowings from other banks		4,00,000
Rent Received		10,000
Unclaimed Dividend		5,000
Commission		90,000
Cash with R. B. I.	1,47,500	
Interest Paid on Deposits	1,45,000	
Salary and other operating expenses	1,17,000	
Interest on Bank Borrowings	10,000	
Non-Banking Assets	20,000	
	41,55,000	41,55,000

The following information should also be considered:

- 1) Rebate on bills discounted Rs. 2,000.
- 2) Provide Rs. 10,000 for doubtful debts.
- 3) Create a provision of Rs. 50,000 for taxation.
- 4) Directors propose Dividend @ 10% for the year 2022 - 23.
- 5) Interest accrued on Investments was Rs. 11,500.

Prepare Profit & Loss Account for the year ended on 31st March, 2023 and a Balance Sheet as on that date.

2. a) From the following particulars of Shriram Insurance Co. Ltd., you are required to prepare Fire Revenue Account for the year ended on 31st March, 2020. **6**

Particulars	Rs.
Claims paid	4,80,000
Claims outstanding on 1 st April, 2019	40,000
Claims intimated but not accepted on 31 st March, 2020	10,000
Claims accepted but not paid on 31 st March, 2020	60,000
Premium Received	16,00,000
Reinsurance premium paid	1,20,000
Reinsurance premium received	60,000
Commission	1,00,000
Commission on reinsurance ceded	10,000
Commission on reinsurance accepted	5,000
Premium outstanding on 1 st April, 2019	30,000
Expenses of Management	2,05,000
Provision for unexpired risk on 1 st April, 2019	5,00,000
Additional Provision of unexpired risk on 1 st April, 2019	20,000
Bonus in reduction of premium	12,000
Interest and Dividends (after deducting Income-tax Rs. 9,000)	18,000

Provide Reserve for unexpired Risk as per rule and for Additional Reserve for unexpired Risk at 1% of the net premium in addition to the opening balance.

- b) From the following Information, prepare the Balance Sheet of Marine Insurance Co. Ltd. 6
as on 31st March 2022:-

Particulars	Rs.
Reserve for Unexpired Risk as on 31-3-2022	7,25,000
Outstanding premium	42,000
Deposit with Controller of Insurance	5,00,000
Furniture & Fittings	52,000
Amounts due from Agents	27,000
Profits & Loss Appropriation A/c	1,00,460
General Reserve	80,000
Share Capital	5,00,000
Investments	7,40,000
Cash in Deposit A/c	2,00,000
Outstanding Dividends on Investments	12,000
Amounts due to Re-insurers	80,000
Sundry Creditors	24,700
Cash at Bank	10,000
Sundry Debtors	33,160

Additional Information:

- 1) Outstanding claims due and intimated as on 31st March, 2022 Rs. 66,000.
- 2) Dividend at 8% has been proposed by the directors out of current profits.
- 3) Share Capital consists of equity shares of Rs. 100 each, on which Rs. 50 per share has been called and paid up.

OR

- c) The Accountant of Nagpur General Insurance Co. Ltd, as extracted a few items from the Trial Balance of the Company as at 31st December, 2020 and has requested you to prepare the necessary accounts to disclose the profit or loss for the year ended 31-12-2020. 12

	Rs.
Income Tax on Investment Income	3,000
Director's Fees	27,000
Dividend (Gross)	25,000
Interest Received	6,000
Fixed Assets (1-1-2020)	10,000

Particular	Fire Rs.	Marine Rs.
Outstanding Claims (1-1-2020)	13,000	3,000
Claims paid	45,000	9,000
Reserve for Unexpired Risks	50,000	37,000
Outstanding Premium (31-12-2020)	12,000	8,000
Premiums	1,27,000	75,000
Re-insurance Premiums (Cr.)	6,000	4,000
Commission to Agents	35,000	20,000
Expenses of Management	19,000	7,000
Re-insurance Premium (Dr.)	13,000	3,000

The following points are also to be taken into account:

- 1) Depreciation on Fixed Assets at 10% p.a. to be provided.
- 2) Interest Accrued Rs. 2,000.
- 3) Reserve for Unexpired Risks:

Fire 50% of Net Premium

- Marine 100% of Net premium.
- 4) Claims outstanding as on 31st December, 2020:
- Fire Rs. 5,000;
- Marine Rs. 1,000.

3. a) A company was incorporated on 1st August, 2022 to take over a business from the preceding 1st April. The accounts were made upto 31st March, 2023 as usual and the Profit and Loss Account gave the following results.

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Particulars	Rs.	Particulars	Rs.
To Rent, Tax & Insurance	18,000	By Gross Profit	3,00,000
To Director's Fees	28,500		
To Salaries	51,000		
To Office Expenses	48,000		
To Traveler's Commission	12,000		
To Discounts	15,000		
To Bad Debts	3,000		
To Depreciation	6,000		
To Debentures Interest	4,500		
To Net Profit	1,14,000		
	3,00,000		3,00,000

The sales of the above period was Rs. 12,00,000.

It is ascertained that the sales for February and March, 2023 was one and half times the average of the year, while those for May and July was only half of the average.

Apportion the year's profit between pre and post incorporation period.

- b) The Hiranman Industries Ltd., was formed on 1st April, 2022 to take over the business of a partnership business as and from 1st January, 2022. The interest at 6% p.a. is to be paid to the vendors on purchase price of Rs. 1,00,000 upto the date of settlement in full which was 1st June, 2022.

6

The following is the Profit & Loss A/c for the year ended 31st December, 2022.

Profit & Loss A/c

Particulars	Rs.	Particulars	Rs.
To Office Salaries	6,000	By Gross Profit b/d	55,000
To Printing & Stationery	2,000		
To Bad Debts	8,000		
To Depreciation	12,000		
To Preliminary Expenses	2,000		
To Interest to Vendors	2,500		
To Provision for Bad & Doubtful debts	10,000		
To Repairs to Buildings	5,000		
To Net Profit	7,500		
	55,000		55,000

Out of Bad Debts written off Rs. 1,500 related to the Debts taken over by the company. The sales for the period upto 31-3-2022 were 3/5 of the sales for remaining period. The Salaries were evenly throughout the year.

Compute the Profit or Loss Prior to incorporation and Post-incorporation.

OR

- c) Ultra-Modern Co. Ltd was incorporated on 1st May, 2022 to take over the business of Modern Co. as a going concern from 1st January, 2022. The Profit & Loss A/c for the year ending 31st December, 2022 is as follows. 12

Profit & Loss Account of Ultra-Modern Ltd.

Particulars	Rs.	Particulars	Rs.
To Rent, Taxes	12,000	By Gross Profit b/d	1,55,000
To Insurance	3,000		
To Electricity Charges	2,400		
To Salaries	36,000		
To Director's Fees	4,600		
To Commission	6,000		
To Advertisement	4,000		
To Discount	3,500		
To Office Expenses	7,500		
To Carriage	3,000		
To Bank Charges	1,500		
To Preliminary Expenses	6,500		
To Bad Debts	2,000		
To Interest on Loan	3,000		
To Net Profit	60,000		
	1,55,000		1,55,000

The total turnover for the year ending 31st December, 2022 was Rs. 5,00,000 divided into Rs. 1,50,000 for the period upto 1st May, 2022 and Rs. 3,50,000 for the remaining period. Ascertain the profits earned prior to incorporation and after incorporation of the Company.

4. a) The following particulars relate to Sagar Co. Ltd. which has gone into voluntary liquidation. You are required to prepare liquidator's final statement of Account allowing for his remuneration 2% on the amount realized on assets (including cash) and 2% on the amount distributed to unsecured creditors other than preferential creditors. 6

Unsecured creditor's :	Rs. 4,48,000
Preferential creditors :	Rs. 1,40,000
8% Debentures :	Rs. 1,50,000

The assets realized the following sums:-

Land & Building:	Rs. 2,60,000
Plant & machinery:	Rs. 2,21,000
Fixtures & fittings:	Rs. 15,000
Cash in Hand:	Rs. 40,000

The liquidation Expenses amounted to Rs. 4,000.

A call of Rs. 2 per share on the partly paid 20,000 equity shares was made and duly paid except in case of one shareholder holding 500 shares.

- b) Hira Co. Ltd. went into voluntary liquidation on 1st Jan. 2022. Their Balance Sheet on that date was as follows: 6

Balance Sheet as on 1-1-2022

Liabilities	Rs.	Assets	Rs.
<u>Share Capital:</u>		Cash	20,000
20,000 5% Preferential Shares of Rs. 100 each,	20,00,000	Debtors	8,00,000
20,000 Ordinary Shares of Rs. 100 each	20,00,000	Sundry Assets	45,18,000
6% Debentures	5,00,000	Profit & Loss	2,12,000
Creditors	10,50,000	A/c	
	55,50,000		55,50,000

Additional Information:

- 1) Liquidator recovered Rs. 38,00,000 from debtors and from sale of all the assets.
- 2) Dividend on Preferential shares is paid upto 31st Dec., 2020.
- 3) Debenture holders were paid on 30th June, 2022 with interest upto the date of payment.
- 4) Liquidation Expenses were Rs. 39,000.
- 5) Liquidator is entitled to receive commission at 2% on money collected (with cash) by him and 2% on the amount refunded to ordinary shareholders.
- 6) Creditors for Rs. 50,000 were preferential.

Prepare Liquidator's Final Statement of Account.

OR

- c) The following is the Balance Sheet of Unlucky Co. Ltd. as on 31st December, 2022:

12

Liabilities	Rs.	Assets	Rs.
Share Capital:		Land & Building	2,00,000
4,000; 6% Preferential Shares of Rs. 100 each,	4,00,000	Plant & Machinery	5,00,000
2,000 Equity Shares of Rs.100 each, Rs. 75 per share paid	1,50,000	Patents	80,000
6,000 Equity Shares of Rs.100 each, Rs. 60 per share paid	3,60,000	Stock	1,10,000
5% Debentures	2,00,000	Sundry Debtors	2,20,000
Interest outstanding on Debenture	10,000	Cash at Bank	60,000
Creditors	2,90,000	Profit & Loss A /c	2,40,000
	14,10,000		14,10,000

On that date, the company went into liquidation. The dividends on Preference shares were in arrears for two years. The arrears are payable on liquidation as per the Articles of Association of the company.

Creditors include a loan of Rs. 1,00,000 on Mortgage of Land & Building.

The assets realized as under:

Land & Building	Rs. 2,40,000
Plant & Machinery	Rs. 4,00,000
Patents	Rs. 60,000
Stock	Rs. 1,20,000
Sundry Debtors	Rs. 1,60,000

The expenses of liquidation amounted to Rs. 21,800.

The liquidator is entitled to a commission of 3% on all assets realised (except cash at bank) and a commission of 2% on amount distributed among unsecured creditors.

Preferential creditors amount to Rs. 30,000.

All the payments were made on 30th June, 2023.

Prepare Liquidator's Final Statement of Account.

5. Answer in shorts.

- | | |
|--|----------|
| a) Functions of Banks. | 3 |
| b) Reserve for unexpired risk | 3 |
| c) Methods of ascertain the Pre & Post incorporation profit. | 3 |
| d) Functions of Liquidator. | 3 |

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- सुचना :- 1. सर्व प्रश्न सोडविणे अनिवार्य आहे.
2. सर्व प्रश्नांना समान गुण आहेत.

- | | | | |
|----|----|--|----|
| 1. | अ) | इंग्रजी माध्यमानुसार | 6 |
| | ब) | इंग्रजी माध्यमानुसार | 6 |
| | | किंवा | |
| | क) | इंग्रजी माध्यमानुसार | 12 |
| 2. | अ) | इंग्रजी माध्यमानुसार | 6 |
| | ब) | इंग्रजी माध्यमानुसार | 6 |
| | | किंवा | |
| | क) | इंग्रजी माध्यमानुसार | 12 |
| 3. | अ) | इंग्रजी माध्यमानुसार | 6 |
| | ब) | इंग्रजी माध्यमानुसार | 6 |
| | | किंवा | |
| | क) | इंग्रजी माध्यमानुसार | 12 |
| 4. | अ) | इंग्रजी माध्यमानुसार | 6 |
| | ब) | इंग्रजी माध्यमानुसार | 6 |
| | | किंवा | |
| | क) | इंग्रजी माध्यमानुसार | 12 |
| 5. | | थोडक्यात उत्तरे लिहा. | |
| | अ) | बँकेची कार्ये | 3 |
| | ब) | न संपलेल्या जोखिमेसाठी संचिती. | 3 |
| | क) | स्थापनेपूर्वी व नंतरचा नफा काढण्याच्या पद्धती. | 3 |
| | ड) | निस्तारकाची कार्ये. | 3 |

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- सुचनाएँ :- 1. सभी प्रश्न अनिवार्य हैं।
2. सभी प्रश्नों के अंक समान हैं।

- | | | | |
|----|----|--|----|
| 1. | अ) | अंग्रेजी माध्यम के अनुसार | 6 |
| | ब) | अंग्रेजी माध्यम के अनुसार | 6 |
| | | अथवा | |
| | क) | अंग्रेजी माध्यम के अनुसार | 12 |
| 2. | अ) | अंग्रेजी माध्यम के अनुसार | 6 |
| | ब) | अंग्रेजी माध्यम के अनुसार | 6 |
| | | अथवा | |
| | क) | अंग्रेजी माध्यम के अनुसार | 12 |
| 3. | अ) | अंग्रेजी माध्यम के अनुसार | 6 |
| | ब) | अंग्रेजी माध्यम के अनुसार | 6 |
| | | अथवा | |
| | क) | अंग्रेजी माध्यम के अनुसार | 12 |
| 4. | अ) | अंग्रेजी माध्यम के अनुसार | 6 |
| | ब) | अंग्रेजी माध्यम के अनुसार | 6 |
| | | अथवा | |
| | क) | अंग्रेजी माध्यम के अनुसार | 12 |
| 5. | | संक्षिप्त में उत्तर लिखिये। | |
| | अ) | अधिकोष के कार्य। | 3 |
| | ब) | समाप्त न होनेवाली संचिती। | 3 |
| | क) | स्थापना पूर्व और बाद के लाभ विभाजन की पद्धतियाँ। | 3 |
| | ड) | निस्तारक के कार्य। | 3 |
