

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

P. Pages : 10

Time : Three Hours



GUG/S/25/12035(S)

Max. Marks : 60

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

1. a) The following balances extracted from the books of Maharashtra Commercial Bank Ltd. On 31st March 2024.

6

Directors Fees	9960
Auditors Fees	2000
Interest and Discount	1020446
Commission and Exchange	204000
Postage and Telegram	2312
Printing and stationery	6780
Rent Taxes and lighting	17014
Provident Fund Contribution	20000
Salaries	104300
Insurance Premium	3000
Law Charges	3300
Advertisement	5000
Repairs and Maintenance	7000
Interest on Deposits	600000
Paid up Capital	2000000

Additional Information:

- 1) Depreciation is, to be written off Rs. 16000 from Land & Building and Rs. 7000 from Furniture.
- 2) Transfer to Statutory Reserve Rs. 100000
- 3) Transfer to Reserve Fund Rs. 100000
- 4) Proposed dividend 10%
- 5) Unexpired Discount on 31st March, 2024 was Rs. 11800.

- b) From the following Balances available from the books of Modern Bank Ltd. On 31st March 2024. Prepare Balance Sheet as on that date.

6

Issued and Paid up Capital	2500000
Bills Discounted and Purchased	1800000
Reserves	770000
Cash Credit and Overdraft	3300000
Unclaimed Dividend	15000
Loans	4600000
Current & savings Deposits	3800000
Furniture	40000
Profit & Loss A/c (Cr.) (31/03/2024)	220000
Stock of stationery	10000
Cash in Hand	670000

Cash Balance with other Banks	1350000
Branch Adjustment (Dr.)	175000
Investment	950000
Loan from Other Banks	1200000
Bills Payable	340000
Bills for Collection	50000

The Authorised capital of the Bank is Rs. 5000000. The Bank has accepted bills of Rs. 200000 on behalf of Customers.

OR

- c) From the Following Trial Balance and Additional Information Prepare: Profit and Loss Account for the year ended 31st March 2024 and Balance Sheet as on that date. **12**

Trial Balance

Particulars	Dr. Rs	Particulars	Dr. Rs.
Building Less Depreciation	50000	Share Capital	500000
Office Furniture and Equipment	60000	(50000 Shares of Rs. 10 each)	
(Less Depreciation)		General Reserve	100000
Loans & Advances	250000	Deposits	280000
Money at call & Short Notice	35000	Profit & Loss A/c	16000
Investment	400000	Interest & Discount	75000
Free Hold and Lease Hold Property	50000	Statutory Reserve	50000
Bills Discounted and Purchased	46000	Borrowings from Other Banks	100000
Cash in Hand	33000	Commission	33000
Cash with R.B.I.	160000	Rent Received	20000
Interest on Deposits	24000	Unclaimed Dividend	15000
Salaries	28000		
Operating Expenses	27400		
Interest on Banks Borrowing	5600		
Other Assets	20000		

Following Additional Information is also to be considered-

- 1) Provide Rs. 5000 for doubtful Debts.
- 2) Rebate on Bills Discounted Rs. 3600
- 3) Interest accrued on investment Rs. 8000
- 4) Provision of Rs. 2500 is to be made for taxation.
- 5) Directors have proposed a dividend @ 4% for the year.
- 6) Transfer the necessary amount to the statutory Reserve from the net Profit of the year as per rules.
- 7) Bills of Rs. 15000 are endorsed on behalf of customers.

2. a) From the following balances of Star Insurance Company Prepare Balance Sheet for the year ended 31st March 2023-

6

Share Capital	2800000
General Reserve	323600
Staff Provident Fund	28400
Creditors	320000
R. B. I. Securities	3669200
Interest accrued	7200
Premium Outstanding 31 st March 2023	
Fire	140800
Marine	119200
Sundry Debtors	38600
Staff Provident Fund Investment	28400
Cash and Bank	130800
Furniture Less Depreciation	24800
Outstanding Claims 31 st March 2023	
Fire	5200
Marine	18800
Provision for survey Expenses	20000
Provision for Taxation	40000
Balance of P&L Appropriation A/c (Cr)	6840
Reserve for Unexpired Risk 31 st March 2023	
Fire	165300
Marine	240000
Provision for additional Reserve 31/03/ 2023	
Fire	175800
Marine	15000

- b) Following information is taken from the books of Ideal Insurance Company Ltd On 31st March, 2024 about Fire Insurance Business.

6

Reserve for Unexpired Risk (31-03-2023)	250000
Additional Reserve (31-03-2023)	50000
Claim Paid	320000
Estimated Liability on Outstanding Claims	
On 31 st March 2023	32500
On 31 st March 2024	45000
Management expenses (Including Legal Charges of Rs. 15000 in respect of claim)	140000
Re-Insurance Premium	37500
Reinsurance Recoveries	10000
Premium	560000
Interest and Dividend	32260
Income Tax on the above	3260

Profit on the sale of Investment	5500
Commission	76000

50% of premium is to be reserve for Unexpired Risk and Additional Reserve is to be maintained at Rs. 50000.

OR

- c) On 31st March 2024 the following balances were extracted from the books of Indian Insurance Company Ltd. 12

Fire Insurance Fund (01/04/2023)	250000
Marine Insurance Fund (01/04/2023)	820000
Additional Reserve (Fire) (01/04/2023)	50000
Claims Paid and Outstanding	
Fire Insurance	190000
Marine Insurance	380000
Commission Paid:	
Fire Insurance	90000
Marine Insurance	108000
Premium less Reinsurance:	
Fire Insurance	600000
Marine Insurance	1080000
Management Expenses:	
Fire Insurance	145000
Marine Insurance	400000
Commission earned on Reinsurance ceded:	
Fire Insurance	30000
Marine Insurance	60000
Bad Debts:	
Fire Insurance	5000
Marine Insurance	12000
Bad Debts recovered	1200
Director's fees	5000
Auditor's fees	1200
Share transfer fees	800
Depreciation	35000
Profit on sale of Land	60000
Sundry Receipts	5000
Difference in exchange (Cr.)	14000
Interest and dividend received	35000

Adjustments:

- 1) Reserve for unexpired Risk is to be maintained as per rule.
- 2) Additional reserve in case of Fire Insurance is to be increased by 5% of Net Premium.

Prepare

- a) Fire Insurance Revenue Account
- b) Marine Insurance Revenue Account
- c) Profit and Loss account for the year ended 31st March 2024

3. a) A Joint Stock was incorporated on 1st August 2022 to purchase a running business of Akshara Ltd. From 1st April 2022. The following Profit and Loss Account was prepared for the financial year ended 31st March 2023. 6

Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
To Rent & Taxes	18000	By Gross Profit	232500
To Insurance	4500		
To Electricity Expenses	3600		
To Salaries	54000		
To Directors Fees	6900		
To Commission	9000		
To Advertisement	60000		
To Discount	5250		
TO Office Expenses	11250		
TO Carriage	4500		
To Bank Charges	2250		
To Preliminary Expenses	9750		
To Bad Debts	3000		
To Interest on Loan	4500		
To Net Profit	90000		
	<u>232500</u>		<u>232500</u>

Total Sales for the year ending 31st March 2023 were Rs.750000 out of which sales of Rs. 225000 were for the period from 1st April 2022 to 31st July 2022 and sales of Rs. 525000 were for the remaining period. Find out Profit Prior to incorporation and subsequent to incorporation.

- b) A Company was incorporated on 1st May, 2023 to purchase a business from 1st January, 2023. The Final Accounts were made upto 31st December, 2023 as usual and the Trading and Profit and Loss Accounts gave following results 6

Trading and Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Opening Stock	14000	By Sales	120000
To Purchases	91000	By Closing Stock	15000
To Gross Profit	30000		
	<u>135000</u>		<u>135000</u>
To Rent & Taxes	1800	By Gross Profit b/d	30000
To Director's Fees	2000		
To Salaries	5000		
To Office Expenses	5000		
To Traveler's Commission	1100		
To Discounts	1500		
To Bad Debts	200		
To Audit Fees	250		
To Depreciation	600		
To Debenture Interest	450		
To Interest on Purchase consideration up to 31/08/2023	1600		
To Net Profit	10500		
	<u>30000</u>		<u>30000</u>

It is ascertained that the sales from 1st January 2023 to 30th April, 2023 were Rs. 30000. You are required to find out the years profit between Pre-incorporation and Post Incorporation period.

OR

- c) The promoters of Proposed New India Co. Ltd. Proposed to take over a running business from 1st Jan. 2023. The new India company was incorporated on 1st April 2023. The New India Company prepared its final account on 31st Dec. 2023. Following information is extracted from the Profit & Loss A/c of the company.

12

Gross Profit	150000
Discount from Creditors	6000
Rent, Taxes & Insurance	1200
Honorarium to Director	3600
Preliminary Expenses	4900
Carriage on Sales	5500
Interest paid to Vendors	10000
Selling Expenses	15000
Discount to Debtors	1000
Salaries	24000

Additional Information:

- 1) Sales upto 31st December, 2023 Rs.300000 and Sales during the entire year 2023 (Jan to Dec.) Rs. 1500000
- 2) The Interest on purchase consideration was paid to Vendors on 16th August, 2023, Rate of interest being 12% p.a.
- 3) Goods worth Rs. 900000 were purchased during the year out of which Goods worth Rs. 300000 were purchased upto 31st March 2023.

From the above information prepare Profit and Loss Account of the Company showing distinctly the expenses and Profit (a) Prior to and (b) after incorporation of the company.

4. a) The Bharat Traders Ltd. Took a decision of voluntary Liquidation on 1st April 2010. Mr. Vinod was appointed as the Liquidator and he was to be paid a commission of 3% on realized value of Assets sold and 2% on the amount paid to unsecured creditors. Prepare Liquidators Final Statement of Account from the following information

6

	Rs.
Realized from the sale of Assets	750000
Liquidation Expenses	13500
Unsecured creditors	102000
3750, 6% Cumulative Preference shares of Rs. 100 each fully paid	375000
7500 Equity shares of Rs. 20 each fully paid	150000
General Reserve (31/03/2009)	180000
Profit and Loss Account (31/03/2009)	30000

Dividend has been paid on cumulative Preference Shares up to 31st March, 2008. No dividend has been paid thereafter.

- b) The shareholders of the Nagpur Soap Manufacturing Company passed a resolution of Voluntary Liquidation of the company on 31st March, 2009. The Balance Sheet of the company on that date was as under

Balance Sheet

Capital & Liabilities	Rs.	Assets	Rs.
20000 Equity shares of Rs. 10 each (Rs. 5 only received)	100000	Land & Building	75000
5000 Preference Shares of Rs. 10 each	50000	Plant & Machinery	20000
Sundry Creditors	98725	Trading Assets (Stock)	10000
		Sundry Debtors	7500
		Cash	500
		Profit & Loss A/c	135725
	<u>248725</u>		<u>248725</u>

Mr. Vinod was appointed as Liquidator. He sold the Assets of the Company as under: Land & Building Rs. 50000, Plant & Machinery Rs. 5000, Stock Rs. 2500.

Rs. 5000 were recovered from sundry debtors. Expenses of Liquidation amounted to Rs. 1250 Out of sundry Creditors the creditors of Rs. 1000 are fully Secured and of Rs. 2725 are Preferential. Rest of the creditors are unsecured.

The Liquidator is entitled for remuneration of 5% on realized value of assets and 2.5% on payment to unsecured creditors (excluding Preferential Creditors).

The Liquidator called the entire unpaid amount on Equity Shares and made full payment to unsecured Creditors. Prepare Liquidator's Final Statement of Account.

OR

- c) Following is the Balance Sheet of Janata Ltd. As on 31st March 2023

12

Liabilities	Rs	Assets	Rs.
Share Capital:		Goodwill	224000
2000, 8% Preference Shares of Rs. 100 each fully paid up	200000	Land & Building	436000
4000 Equity Shares of Rs. 100 each Rs. 80 paid up	320000	Plant & Machinery	180000
6000 Equity Shares of Rs. 100 each Rs. 70 paid up	420000	Furniture	20000
8% Debentures (having a floating Charge on all assets of the company)	200000	Office equipment	40000
Debentures Interest (Outstanding)	8000	Stock	198000
Creditors	320000	Debtors	170000
	<u>1468000</u>	Bills Receivable	44000
		Cash in Hand	16000
		Profit & Loss Account (Dr. Balance)	140000
			<u>1468000</u>

The Company went into liquidation as on that date

- 1) The Preference dividend was in arrear for 3 years and as per articles of the company it was to be paid before returning Equity Share Capital.
- 2) Sundry Creditors include a loan of Rs. 80000 which is secured on the hypothecation of plant and Machinery and preferential Creditors of Rs. 20000.

3) The liquidators realized the Assets as follows:

Land & Building	430000
Stock	140000
Office Equipment	25000
Plant & Machinery	100000
Debtors	120000
Furniture	16000
Bills Receivable	28000

- 4) Legal Charges on the liquidation amounted to Rs. 2000 and Liquidation Expenses were Rs. 5200.
- 5) The Liquidator's remuneration was fixed at Rs. 2000 plus 2% on sale of Assets, plus 4% on the amount distributed to Unsecured Creditors including Preferential Creditors.
- 6) There was a Type Writer which was completely written off from the books of account but the Liquidators sold it for Rs. 1000 which was not included in the realized amount of Office Equipment.
- 7) All payment were made on 30th June, 2023
Prepare Liquidators Final Statement of Account.

5. Write Short note

- | | |
|----------------------------------|---|
| a) Balance Sheet of Bank | 3 |
| b) Reserve for Unexpired Risk | 3 |
| c) Profit Prior to Incorporation | 3 |
| d) Functions of Liquidators | 3 |

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

- | | | | |
|-------|------------|---------------------------------------|----|
| 1. | अ) | इंग्रजी माध्यमाप्रमाणे | 6 |
| | ब) | इंग्रजी माध्यमाप्रमाणे | 6 |
| किंवा | | | |
| | क) | इंग्रजी माध्यमाप्रमाणे | 12 |
| 2. | अ) | इंग्रजी माध्यमाप्रमाणे | 6 |
| | ब) | इंग्रजी माध्यमाप्रमाणे | 6 |
| किंवा | | | |
| | क) | इंग्रजी माध्यमाप्रमाणे | 12 |
| 3. | अ) | इंग्रजी माध्यमाप्रमाणे | 6 |
| | ब) | इंग्रजी माध्यमाप्रमाणे | 6 |
| किंवा | | | |
| | क) | इंग्रजी माध्यमाप्रमाणे | 12 |
| 4. | अ) | इंग्रजी माध्यमाप्रमाणे | 6 |
| | ब) | इंग्रजी माध्यमाप्रमाणे | 6 |
| किंवा | | | |
| | क) | इंग्रजी माध्यमाप्रमाणे | 12 |
| 5. | टिपा लिहा. | | |
| | अ) | बँकांचे स्थितीविवरण | 3 |
| | ब) | समाप्त न झालेल्या जोखीमेकारिता संचीती | 3 |
| | क) | स्थापनापूर्व नफा | 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 अनुसार। | 6 |
| | ब) | अंग्रेजी माध्यम अनुसार। | 6 |
| अथवा | | | |
| | क) | अंग्रेजी माध्यम अनुसार। | 12 |
| 2. | अ) | अंग्रेजी माध्यम अनुसार। | 6 |
| | ब) | अंग्रेजी माध्यम अनुसार। | 6 |
| अथवा | | | |
| | क) | अंग्रेजी माध्यम अनुसार। | 12 |
| 3. | अ) | अंग्रेजी माध्यम अनुसार। | 6 |
| | ब) | अंग्रेजी माध्यम अनुसार। | 6 |
| अथवा | | | |
| | क) | अंग्रेजी माध्यम अनुसार। | 12 |
| 4. | अ) | अंग्रेजी माध्यम अनुसार। | 6 |
| | ब) | अंग्रेजी माध्यम अनुसार। | 6 |
| अथवा | | | |
| | क) | अंग्रेजी माध्यम अनुसार। | 12 |
| 5. | टिप्पणीयाँ लिखिए। | | |
| | अ) | बैंक की बैलेंस शीट | 3 |
| | ब) | अनपेक्षित जोखिम के लिए रिजर्व | 3 |
| | क) | निगमन से पहले का लाभ | 3 |
| | ड) | परिसमापक के कार्य | 3 |
