

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

P. Pages : 8

Time : Three Hours



GUG/S/24/12035

Max. Marks : 60

- Notes :
1. Solve **any five** questions.
 2. All questions carry equal marks.

1. a) The following are the particulars of Prabuddha Commercial Bank Ltd. as on 31st March, 2023:

6

| | |
|---|----------|
| Commission charged to Customers | 7,000 |
| Discount on Bills Discounted. | 2,10,000 |
| Director's Fees | 5,000 |
| Establishment Expenses | 60,000 |
| Interest on Loans | 2,80,000 |
| Interest on Fixed Deposits | 2,98,000 |
| Interest on Cash Credit Account | 2,40,000 |
| Auditors' 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 Stationery | 3,000 |
| Rebate on Bills Discounted (to be adjusted) | 55,000 |
| Rent and Taxes | 22,000 |
| Sundry charges | 2,000 |

Prepare Profit and Loss Account for the year ended 31-3-2023.

- b) Goutami Bank Ltd. Chandrapur has given you the following balances. On that basis the have requested you to prepare balance sheet and related schedule of bank:

6

| | Rs. |
|--|-----------|
| Issued & Subscribed Share Capital (60,000 shares of Rs. 100 each) | 60,00,000 |
| Called up & Paid up Share Capital (60,000 shares of Rs. 50 each) | 30,00,000 |
| Demand Deposits | 68,20,000 |
| Statutory Reserve (Previous year's) | 7,00,000 |
| Statutory Reserve (Current year's provision) | 1,14,000 |
| Borrowing from other Banks | 40,00,000 |
| Cash in hand | 3,20,000 |
| Balance with R.B.I. | 70,00,000 |
| Saving Bank Deposits | 51,30,000 |
| Time Deposits | 78,00,000 |
| Profit & Loss A/c (Cr.) | 12,56,000 |
| Bills Payable | 26,00,000 |
| Rebate on Bills discounted | 1,10,000 |
| Balance with banks | 65,00,000 |
| Government securities | 24,00,000 |
| Bills Purchase & Discounted | 28,00,000 |

| | |
|--------------|-----------|
| Cash credits | 59,70,000 |
| Premises | 49,00,000 |
| Furniture | 16,64,000 |

OR

- c) From the following Trial Balance and additional information prepare Profit & Loss Account and Balance sheet of Vena Bank Ltd. as on 31st March, 2023;

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Trial Balance

| Particulars | Dr. Rs. | Particulars | Cr. Rs. |
|---|-----------|--|-----------|
| Building less depreciation Office Furniture & Equipment | 50,000 | Share Capital (50,000 shares of Rs. 10 each) | 5,00,000 |
| Less depreciation | 60,000 | General Reserve | 1,00,000 |
| Loans & Advances | 2,50,000 | Deposits | 2,80,000 |
| Money at call & short notice | 35,000 | Profit & Loss A/c | 16,000 |
| Investments | 4,00,000 | Interest & Discount | 75,000 |
| Freehold & Leasehold properties | 50,000 | Statutory reserve | 50,000 |
| Bills discounted & purchased | 46,000 | Borrowings from other banks | 1,00,000 |
| Cash in hand | 33,000 | Commission | 33,000 |
| Cash with R.B.I. | 1,60,000 | Rent Received | 20,000 |
| Interest paid on deposits | 24,000 | Unclaimed dividend | 15,000 |
| Salaries | 28,000 | | |
| Operating expenses | 27,400 | | |
| Interest on bank | | | |
| Borrowings | 5,600 | | |
| Other Assets | 20,000 | | |
| | 11,89,000 | | 11,89,000 |

Additional information:-

- 1) Provide Rs. 5,000 for doubtful debts.
- 2) Rebate on Bills discounted Rs. 3,600.
- 3) Interest accrued on Investment Rs. 8,000.
- 4) Create a provision of Rs. 2,500 for Taxation.
- 5) Directors propose Dividend @ 4% for the years 2022 -2023.
- 6) Transfer to Statutory Reserve as per rule.
- 7) Endorsement of Bills on behalf of customers Rs. 15,000

2. a) The profit as shown by the Revenue Account of an Accident Insurance Co. for the year ending 31st March, 2023 is Rs. 3,60,000 before taking the following into consideration.

6

| | Rs. |
|---|--------|
| i) Claims intimated and admitted but not paid | 40,000 |
| ii) Claims recoverable under re-insurance | 12,000 |
| iii) Interest accrued but not received | 8,000 |
| iv) Management expenses outstanding | 16,000 |
| v) Commission due to agents not yet paid | 4,000 |

Pass Journal entries for the above omission and find out the profit from accident business thereafter.

- b) New Insurance Co. Ltd. has furnished the following information for preparation of revenue account for the insurance business for the year ended 31st March, 2023: 6

| | Rs. |
|---|----------|
| Claims admitted but not paid | 63,564 |
| Commission paid | 75,000 |
| Commission on reinsurance ceded | 18,000 |
| Share transfer fees | 7,500 |
| Expenses of management | 1,17,000 |
| Bad debts | 3,750 |
| Claims paid | 22,500 |
| Profit & Loss Appropriation A/c | 15,000 |
| Premiums received (less reinsurance) | 8,28,000 |
| Reserve for unexpired risk as on 1-4-2022 | 3,45,000 |
| Additional Reserve as on 1-4-2022 | 60,000 |
| Claims Outstanding as on 1-4-2022 | 40,500 |
| Dividend on Share Capital | 27,750 |

The following further information has also to be considered:

- Premiums outstanding at the end of the year Rs. 60,000.
- It is the policy of the company to maintain 50% of premium towards Reserve for Unexpired Risk.
- Additional Reserve at 10% of net premium to be maintained.

OR

- c) From the following figures taken from the books of East & West Insurance Co. Ltd. doing fire insurance business, prepare the set of final accounts for the year ended 31st March, 2023:- 12

| | |
|--|-----------|
| Fire Fund (1-4-2022) | 13,95,000 |
| General Reserve | 6,75,000 |
| Investments | 54,00,000 |
| Premium | 40,50,000 |
| Claims paid | 9,00,000 |
| Share Capital-divided into equity shares of Rs. 100 each | 13,50,000 |
| Additional Reserve (1-4-2022) | 4,95,000 |
| Profit & Loss A/c (Cr.) | 1,12,500 |
| Reinsurance Premium | 1,68,000 |
| Claims recovered from reinsurers | 33,000 |
| Commission reinsurance ceded | 72,000 |
| Advance Income-tax paid | 3,75,000 |
| Agents Balances (Dr.) | 30,000 |
| Commission on direct business | 4,35,000 |
| Commission on reinsurance accepted | 90,000 |
| Outstanding premium | 33,000 |
| Claims intimated but not paid (1-4-2022) | 90,000 |
| Expenses of Management | 6,45,000 |
| Audit Fees (General) | 54,000 |
| Rate & Taxes (General) | 9,000 |
| Rent (General) | 1,04,000 |
| Income from Investments | 2,25,000 |
| Cash in hand & at bank | 2,54,500 |

The following further information is also to be noted :-

- i) Expenses of Management include Survey Fees and Legal Expenses of Rs. 74,000 and Rs. 30,000 relating to claims.
- ii) Claims intimated but not paid on 31st March, 2003, Rs. 1,56,000.
- iii) Income-tax to be provided at 55%.
- iv) Transfer to General Reserve Rs. 3,00,000.
- v) Proposed dividend 8%.
- vi) Reserve for Unexpired Risk to be kept at 50% of net premium and Additional Reserve to be carried forward.

3. a) Tejas Limited company was incorporated on 1st May, 2023. It had taken over a running business with effect from 1st January, 2023. Total sales of the company for the year ended 31st December, 2023 amounted to Rs. 1,00,000 out of which sales upto 1st May were to the time of Rs. 30,000. Gross Profit to the year was of Rs. 25,060. The total expenditure of the year was of Rs. 14,982 including Rs. 750 being Directors Fees. Calculate profit prior to incorporation and thereafter.
- b) Plank was incorporated on 1st July, 2023 to take over the business as a going concern from 1st March, 2023. The profit & loss account drawn on 31st December, 2023 was as under.

Profit and Loss Account

| Particulars | Rs | Particulars | Rs. |
|--------------------------|--------|-----------------|--------|
| To Management Exp. | 7,000 | By Gross Profit | 77,000 |
| To Rent | 3,000 | | |
| To Office Exp. | 2,000 | | |
| To Directors fees | 1,200 | | |
| To Bad debts | 1,500 | | |
| To Free samples | 1,400 | | |
| To Formation Exp. | 2,700 | | |
| To Debentures Interest | 1,300 | | |
| To Commission & discount | 700 | | |
| To Depreciation | 2,500 | | |
| To Carriage outward | 2,100 | | |
| To Goodwill written off | 5,000 | | |
| To Dividend on shares | 10,000 | | |
| To Net Profit | 36,600 | | |
| | 77,000 | | 77,000 |

The following information is available:

- a) Sales in the 'pre' and 'post' incorporation periods were in the ratio of 3:4.
- b) Bad Debts Rs. 1,000 were written off in June, 2023.
- c) Rent had been paid only from 1st October, 2023 at Rs. 1,000 per month.
- d) In lieu of interest on purchase consideration, the vendors would get 75% of the profit earned prior to incorporation.

Ascertain the profits in the 'pre' and 'post' incorporation period.

OR

- c) Kusum limited company was incorporated on 1st May, 2023 to take over the business as a going concern from 1st January, 2023. The total turnover (sales) for the year was Rs.2,00,000 out of which turnover of Rs.50,000 were upto 1st May, 1998.
The Profit & Loss Account for the year ended 31st December, 2023 was as follows:

Profit & Loss A/c

| Particulars | Rs | Particulars | Rs. |
|---|--------|-----------------|--------|
| To Rent, Tax & Insurance | 3,900 | By Gross Profit | 52,000 |
| To Establishment Exp. | 4,200 | | |
| To Commission on sales | 6,000 | | |
| To Directors fees | 400 | | |
| To Auditors fees | 240 | | |
| To Bad debts | 4,000 | | |
| To Depreciation | 9,000 | | |
| To Interest on debentures | 2,500 | | |
| To stationery | 750 | | |
| To Interest to vendors (from 1 st Jan. to 31 st May @ 6% on Rs. 60,000) | 1,500 | | |
| To Advertisement | 600 | | |
| To Net Profit | 18,910 | | |
| | 52,000 | | 52,000 |

Find out profit prior to incorporation and after incorporation.

4. a) Jyotiba & Co. Ltd. went into liquidation. Its assets realised Rs. 3,50,000 excluding amount realised by the fully secured creditors from the sale of securities held by them. The following was the position:

Share Capital: 1,000 shares of Rs.100 each.

| | Rs. |
|--|----------|
| Secured creditors (Securities realized Rs.40,000) | 35,000 |
| Preferential Creditors | 6,000 |
| Unsecured creditors | 1,40,000 |
| Debentures having a floating charge on the assets of the company | 2,50,000 |
| Liquidation expenses | 5,000 |
| Liquidator's remuneration | 7,500 |

Prepare the liquidator's final statement of account.

- b) Mansaram limited company went into liquidation and its Balance Sheet as under:

| Liabilities | Rs | Assets | Rs. |
|--|-----------|-------------------|-----------|
| Share capital: 10,000, 10% Pref. Shares of Rs.10 each | 1,00,000 | Sundry assets | 7,00,000 |
| 20,000 Equity shares of Rs.10 each fully paid | 2,00,000 | Building | 1,80,000 |
| 10,000 Equity shares of Rs.10 each, Rs.8 paid up | 80,000 | Profit & Loss A/c | 1,00,000 |
| 15% Debentures | 3,00,000 | Preliminary Exp. | 20,000 |
| Creditors | 2,70,000 | | |
| Preferential creditors | 50,000 | | |
| | 10,00,000 | | 10,00,000 |

The liquidator realised Sundry Assets and Building for Rs.5,00,000 and Rs.2,70,000 respectively. Liquidation expenses were Rs. 5,500 and remuneration was Rs. 4,500.

Prepare final statement of account to be submitted by liquidator.

OR

- c) Jaibhim Wire Co. Ltd. went into voluntary liquidation. The share capital of Company consisted of the following: **12**

2,000 Preference Shares of Rs. 100 each, fully paid;
8,000 Equity Shares of Rs. 100 each, fully paid;
6,000 Equity Shares of Rs. 100 each, Rs.80 per share paid-up;
2,000 Deferred Shares of Rs. 100 each, Rs. 80 per share paid-up.

According to the Articles of Association, for the repayment of capital, the preference shares have priority over the equity shares and the equity shares have priority over the deferred shares.

The expenses of liquidation including liquidator's remuneration amount to Rs. 14,000.

Sundry Creditors amounted to Rs. 1,78,000. The assets realised amounting to Rs. 3,74,000.

The liquidator made a call of the remaining Rs. 20 on the deferred shares which was paid in full (to adjust the rights of shareholders inter se).

A Call of Rs. 15 per share was made on the equity shares which were partly paid up. This was paid in full with the exception of that on 200 shares.

You are required to prepare liquidators final statement of account.

5. Write in short answers:

- | | |
|--|----------|
| a) Cash Reserve | 3 |
| b) Re-insurance Premium. | 3 |
| c) Time base method of pre-incorporation profit. | 3 |
| d) Functions of Liquidators | 3 |

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Max. Marks : 60

- 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. | थोडक्यात उत्तरे लिहा. | | |
| | अ) | रोख संचिती | 3 |
| | ब) | पुनर्विमा प्रव्याजी | 3 |
| | क) | स्थापनेपुर्वीच्या नफ्याची समयाधार पध्दती | 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 लिखिए। | | |
| | अ) | रोख निधी | 3 |
| | ब) | पुनर्विमा प्रव्याजी | 3 |
| | क) | स्थापनापूर्व लाभ की समय आधारित विधि | 3 |
| | ड) | निस्तारक के कार्य | 3 |
