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2654

Reg. No. :

Name :

Fourth Semester B.Com. Degree Examination, July 2024

First Degree Programme under CBCSS

Core Course

CO 1443/ CC 1444 : CORPORATE ACCOUNTING

(Common for Commerce/ Commerce with Computer Application)

(2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer all questions in one or two sentences each. Each question carries 1 mark.

1. What do you mean by Indian GAAP?
2. What is IFRS Board?
3. State the meaning of contingent asset.
4. What is Reserve capital?
5. What do you mean by calls in arrears?
6. What is profit prior to incorporation?
7. What do you mean by CRR?

P.T.O.

8. State the meaning of NPA.
9. What is surrender of policy?
10. What is Capital reduction account?

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions in not exceeding **one** paragraph each. Each question carries **2** marks.

11. Define financial statements.
12. What is 'notes on accounts'?
13. What is reversionary bonus?
14. What is divisible profit?
15. State the meaning of diluted EPS.
16. What is reorganization of capital?
17. What is capital work in progress?
18. Explain the meaning of CAR.
19. What is deferred revenue?
20. What is Non-banking assets?
21. State the meaning of Valuation Balance Sheet.
22. Write a short note on AS20.

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions in not exceeding **120** words each. Each question carries **4** marks.

23. Discuss the advantages of accounting standards.
24. Differentiate between Indian GAAP and IFRS.
25. Explain the books maintained by Banks.
26. List out the various items presented under Reserves and Surplus.
27. From the following information, calculate the benefits paid as per the Insurance Regulation Act 1938.

	Rs.
Claims by death	4,20,600
Surrenders	1,12,800
Annuities	80,900
Bonus in cash	7,800
Bonus in reduction of premium	10,200

Additional information :

- (a) Further bonus in reduction of premium Rs. 5,000
 - (b) Claims recovered under reinsurance Rs. 47,500
28. While closing its books of account, a commercial bank has its advances classified as follows.

	Rs. In lakhs
Standard Assets	24,000
Substandard assets	1,200
Doubtful assets : up to one year	800
: one to three years	600
: more than three years	400
: loss of assets	900

You are required to calculate the amount of provision to be made by the bank.

29. Kumar Company Ltd passed necessary resolution and received sanction of the court for the reduction of its share capital by Rs.2,50,000 for the purpose enumerated here under

- (a) To write off the profit and Loss account Rs.1,05,000
- (b) To reduce the value of plant and Machinery by Rs.45,000 and of goodwill by Rs.20,000
- (c) To reduce the value of investments to market value by writing off Rs.40,000

The reduction was made by converting 25,000 Preference shares of Rs.20 each fully paid to the same number of Preference Shares of Rs.15 each fully paid and by converting 25,000 equity shares of Rs.20 each Rs.15 paid up into 25,000 equity shares of Rs.10 each fully paid.

Show journal entries necessary in relation to the reduction of share capital.

30. From the following transactions of West Bank Ltd. Calculate the Rebate on Bills discounted and record necessary entry on 31 March 2021 . The following bills are discounted at 5%.

Discounted on	Amount (Rs.)	Terms (months)
23.12.2021	50,000	3
19.09.2021	1,00,000	4
20.10.2021	4,00,000	3
30.11.2021	30,000	5

31. L & T Ltd. was registered on 1 October 2021 acquire the running business of Moorthy & Co. with effect from 1 April 2021. The following was the profit and loss account of the company as on 31 March 2022:

Particulars	Amount	Particulars	Amount
To Office Expenses	70,000	By Gross Profit b/d	3,00,000
To Formation Expenses (Written off)	20,000		
To Stationery and Postage	10,000		
To Selling Expenses	90,000		
To Director's Fees	30,000		
To Net Profit	80,000		
	<u>3,00,000</u>		<u>3,00,000</u>

You are required to prepare a statement showing profit earned by the company in the pre-and post-incorporation periods. The total sales for the year took place in the ratio of 1:2 before and after incorporation, respectively.

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions not exceeding **4** pages each. Each question carries **15** marks.

32. What are the methods of reorganization of capital?

33. The following balance are extracted from the books of New Delhi Bank Ltd, as on March 2022.

	Rs.
Rebate on bills discounted	15,000
Interest and discount received	40,55,000
Interest paid on deposits	24,04,000
Issued and subscribed capital	10,00,000
Reserve under section 17	7,00,000
Commission, exchange and brokerage	1,80,000
Rent received	60,000
Profit on sale of investment	1,90,000
Salaries and allowances	24,000
Rent and taxes paid	1,08,000
Stationery, printing	48,000
Postage and telegram	40,000
Preliminary expenses	10,000
Audit fee	8,000
Depreciation on bank's property	25,000

The following further information :

- A customer to whom a sum of Rs.5,00,000 has been advanced has become insolvent and it is expected only 40% can be recovered from his estate. Interest due has not been provided for in the books.
- Provision for bad debts Rs.1,00,000.
- Provide Rs.7,00,000 for income tax.
- The directors desire to declare 10% dividend.

Prepare the profit and loss Account in accordance with the law.

34. The following are the balances extracted from the books of New Bharat Life insurance co. Ltd., as on march 31st 2021.

	Rs.
Expenses of management	2,31,900
Commission	2,27,000
Claims paid	4,30,000
Loss on exchange	5,000
Bad debts	100
Claims outstanding on 1-04-2021	5,20,000
Reserve for unexpired risk 1-04-2021	3,08,700
Additional reserve on 1-04-2021	25,000
Premium	8,76,000

Prepare in prescribed form the Revenue Account for the year ending at March 31 2022, after taking the following information into consideration:

- (a) Provide 50% of the premium income for the unexpired risk
 - (b) Premium outstanding at the end of the year was Rs.20,000
 - (c) On 31st March, 2022 , claims outstanding were Rs.3,04,600
 - (d) Additional reserve be maintained as before.
35. Give proforma balance sheet of a company under schedule III of the Companies Act, 2013.

(2 × 15 = 30 Marks)