

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai - 600 044.

B.Com. CS - END SEMESTER EXAMINATIONS - APRIL 2025
SEMESTER - IV

21UBCCT4009 - Corporate Accounting - II

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. Explain the various aspects of 'Reliability' of financial reporting.
2. From the following particulars, prepare the profit and loss Account of Madurai Bank Ltd., for the year ending 31st March 2019

Particulars	(Rs.in'000')	Particulars	(Rs.in'000')
Interest on deposit	3,200	Discount on bills discounted	1,490
Commission (Cr.)	100	Interest on overdrafts	1,600
Interest on loans	2,490	Interest on cash credits	2,320
Sundry charges (Dr.)	100	Auditors fees	35
Rent and taxes	200	Directors fees	16
Establishment	500	Bad debts to be written off	300

3. The company B takes over the business of company A. The value agreed for various assets is Goodwill Rs.22,000; Land and Buildings Rs.25,000; Plant and Machinery Rs.24,000; Stock Rs.13,000; Debtors Rs.8,000. B company does not take over cash but agree to assume the liability of sundry Creditors at Rs.5,000. Calculate Purchase Consideration under Net asset method.
4. A liquidator is entitled to receive remuneration @ 2% of the assets realised and 3% on the amount distributed among the unsecured creditors. The assets realised Rs.70,00,000 against which payment was made as follows:
 - Liquidation expenses Rs.50,000
 - Preferential creditors Rs.1,50,000
 - Secured creditors Rs.40,00,000
 - Unsecured creditors Rs.30,00,000.

Calculate the total remuneration payable to liquidator.

5. The following balances are abstracted from the books of New Bharat Life Insurance Co. Ltd., as on 31.3.2006.

Particulars	Rs.
Claims paid during the year	64,900
Claims outstanding (1.4.2005)	4,500
Claims outstanding (31.3.2006)	14,000
Claim under reinsurance	8,000
Annuities	2,050
Surrenders	4,000

Calculate amount to be credited to Revenue A/c in Schedule 4 – Benefits paid.

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6. From the following, you are required to prepare the Balance sheet of IDFC First Bank Ltd., as on 31.3.2021.

Particulars	Rs.	Particulars	Rs.
Paid up share capital	2,000	Money at call and short notice	800
Reserve fund	700	Cash at bank	950
Statutory Reserve	73	Investment in Govt. Securities	900
Profit and Loss A/c (Cr.)	217	Secured loans	1,500
Deposits	2,500	Cash credits	480
Borrowings from SBI	500	Premises	580
Rebate on bills discounted	10	Furniture	120
Provision for tax	60	Non-banking assets	80
Cash in hand	650		

7. Mugil Ltd., took over assets of Rs.3,50,000 and liabilities of Rs.30,000 of Y Co. for the purchase consideration of Rs.3,30,000. Mugil Ltd., paid the purchase consideration by issuing debenture of Rs.100 each at a premium of 10%. Give Journal entries in the Books of Mugil Ltd.
8. Distinguish between Statement of affairs and Balance sheet.

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. A real estate company started with a capital of Rs. 50,00,000 which was invested in urban land on 1-1-90. On that date the general price index was 100 and specific price index for land was 200. The company had no other transactions and it sold the land on 1-1-95 on which date the general price index was 180 and the specific price index was 420. The sale price of the land was Rs.1,80,00,000. You are required to ascertain profit under (i) Historical cost (ii) CCA Method and (iii) CPP Method.
10. The following figures relate to Life Insurance, Corporation for the year ended 31.3.2016. Prepare the Revenue A/c

Particulars	Rs. (‘000’)
Claims	39
Management expenses	14
Director’s fees	4
Audit fees	3
Medical expenses	0.5
Agents commission	5
Depreciation	4
Bonus in reduction of premium	1.5
Consideration for annuities granted	16.5
Surrenders	9
Premium received	151
Life fund (1.4.15)	1150
Interest received	40
Rent received	10
Claims cancelled	0.5
Annuities	1.5

- a) Premium outstanding Rs.9 thousand
b) Claims outstanding Rs.3 thousand

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11. From the following information relating to Viveka Bank Limited, prepare Profit and Loss A/c for the year ending 31-3-14 along with necessary schedules in the revised format.

Particulars	(Rs. in '000)
Interest, discount earned	31,628
Income on investment	11,810
Interest received on balance with RBI	4,243
Commission, brokerage etc.	2,907
Profit on sale of investments	114
Interest on RBI loan paid	31,404
Interest on deposits	3,362
Rates, Taxes and lighting	1,168
Salary to employee	9,717
Depreciation on bank property	379
Director's fees	7
Auditor's fees	41
Law charges	22
Postage telegrams, telephone etc.,	403
Other expenditure	1,799
Balance of profit B/D from last year	1,000

Adjustments:

- a) Make a provision for I.T @ 51.75% on profit
 - b) Transfer 25% of profit to statutory reserve and 5% to revenue reserve.
 - c) Transfer to proposed dividend 2,00,000.
12. Arun Ltd., and Abdul Ltd., agreed to amalgamate on the basis of the following balance sheet as on 31-3-2014.

Liabilities	Arun Ltd.,	Abdul Ltd.,	Assets	Arun Ltd.,	Abdul Ltd.,
Share capital of Rs.25 each	75,000	50,000	Goodwill	30,000	—
Profit and loss account	7,500	2,500	Fixed Assets	31,500	38,800
Creditors	3,500	3,500	Stock	15,000	12,000
Depreciation fund	—	2,500	Debtors	8,000	5,200
			Bank	1,500	2,500
Total	86,000	58,500	Total	86,000	58,500

The assets and liabilities are to be taken over by a new company formed called Praveen Ltd., at book values. Praveen Ltd., capital is Rs.2,00,000 divided into 10,000 equity shares of Rs.10 each and 10,000 9% preference shares of Rs.10 each. Praveen Ltd., issued the equity shares equally to the vendor companies and preference shares were issued for any balance of purchase price. Pass journal entries in the books of Praveen Ltd.

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13. A Ltd., went into liquidation on 30.4.1996 when the following balance sheet was prepared:

Liabilities	Rs.	Assets	Rs.
5000 equity shares of Rs.100 each Rs.80 Paid up.	4,00,000	Machinery	80,000
Loan (secured by Machinery)	1,00,000	Other fixed assets	2,60,000
Unsecured Creditors (including preferential creditors Rs.10,000)	2,00,000	Stock	1,05,000
		Debtors	1,00,000
		Bills receivable	40,000
		Cash	5,000
		Profit & Loss A/c	1,10,000
Total	7,00,000	Total	7,00,000

Machinery was realised by the secured creditors for Rs.1,20,000. Other fixed assets realised Rs.40,000; Debtors Rs.20,000; and Stock Rs.10,000; Bills receivable was wholly dishonoured. The liquidator is entitled to a fixed remuneration of Rs.1,000 plus 2% on the amount paid to unsecured creditors. Liquidation expenses amounted to Rs.1,000. Prepare liquidator's statement of account.
