

**B.Com. DEGREE EXAMINATION, NOVEMBER 2018**  
**II Year IV Semester**  
**Core Major- Paper IX**  
**CORPORATE ACCOUNTING- II**

**Time : 3 Hours**

**Max.marks :75**

**Section A** (10 × 2 = 20) Marks

Answer any **TEN** questions

1. What do you mean by Human resource accounting?
2. What are Accounting Standards?
3. Write a note on Non-Banking assets.
4. Explain Amalgamation.
5. Write a short note on Liquidation.
6. Calculate the net claim to be debited to Revenue A/c of an insurance company:

	Rs.
Claims paid for the year ended 31.3.16	5,75,000
Claims outstanding on 1.4.15	55,000
Claims outstanding on 31.3.16	98,000
Claims covered under reinsurance	28,000

7. A life assurance fund of Rs. 25,00,000 was ascertained without taking into account the following:

- (a) Claims covered under re-insurance Rs. 18,000
- (b) Reinsurance premium Rs. 15,000.

Calculate the correct life assurance fund.

8. On 31.12.2016 George Bank Ltd has the following bills in its portfolio. All the bills are discounted at 5%.

Amount in Rs.	Due date
50,000	31.1.2017
40,000	30.4.2017
30,000	3.3.2017

Calculate rebate on bills discounted, assuming accounts are closed on 31st December.

9. On 31st March 2017, Mani Commercial Bank Ltd. Finds its advances classified as follows:

	Rs.
Standard assets	14,91,300
Sub-standard assets	92,800
Doubtful assets (secured):	
Doubtful for one year:	25,660
Doubtful for one year to 3 years:	15,640
Doubtful for more than 3 years:	6,580
Loss assets	10,350

Calculate the amount of provision to be made by the bank against the above mentioned advances.

10. Lee Ltd. Agreed to absorb Bee Ltd. By paying Rs. 10,00,000 to the shareholders. In addition they agreed to settle 1,000 8% Debentures of Rs. 100 each in Bee Ltd., at 20% premium by issuing their own debentures of 100 each at 96%. Ascertain the face value and actual issue of debentures to be issued.

11. Ascertain the remuneration payable to liquidator from the data given below:

Secured creditor: Rs. 50,000 (Securities realised by secured creditors: Rs. 60,000)

Assets realised: Rs. 80,000

Liquidator's remuneration: 3% on the amount realised.

12. The liquidator of SR & Co. Ltd., is entitled to get a remuneration of 3% on the amount realised from the assets and 2% on the amount disturbed to the unsecured creditors. From the following particulars calculate the remuneration payable.

	Rs.
(a) Cash realised from assets	3,00,000
(b) Preferential Creditors	10,000
(c) Amount due to unsecured creditors	4,00,000

**Section B** ( $5 \times 5 = 25$ ) Marks

Answer any **FIVE** questions

13. Explain the various objectives of Human resource accounting.
14. The Life fund of a life insurance company on 31.3.16 showed a balance of Rs. 54,00,000. However, the following items were not taken into account while preparing the revenue A/c for 2015-16. Ascertain the correct life fund balance.

	Rs.
(a) Interest and dividends accrued on investment	20,000
(b) Income tax deducted at source on the above	6,000
(c) Reinsurance claims recoverable	7,000
(d) Commission due on reinsurance premium paid	10,000
(e) Bonus in reduction of premium	3,000

15. The trial balance of the NEDUNGADI bank Ltd., as on 30 June 1994 shows the following balances:

	Rs.
Interest and discount	45,40,600
Rebate on bills discounted (1/7/93)	4,750
Bills discounted and purchased	3,37,400

The unexpired discount as on 30.6.94 is estimated to be Rs. 5,560. Draft necessary adjusting entries and calculate the amount of interest and discount to be credited to Profit and Loss Account.

16. On 31st March, 2017 a bank held the following bills, discounted by it earlier:

Date of bill 2017	Term of bill (Month)	Discounted @ % p.a.	Amount of bill (Rs.)
(i) January, 17	4	17	7,30,000
(ii) February, 7	3	18	14,60,000
(iii) March, 9	3	17.5	3,64,000

You are required to calculate the rebate on bills discounted. Also show the necessary journal entry for the rebate.

17. Raman Ltd. Agrees to purchase the business of Krishnan Ltd., on the following terms:

(a) For each of the 10,000 shares of Rs. 10 each in Krishnan Ltd. 2 shares in Raman Ltd. of Rs. 10 each will be issued at an agreed value of Rs. 12 per share. In addition, Rs. 4 per share was paid in cash.

(b) 8% Debentures worth Rs. 80,000 will be issued to settle the Rs. 60,000 9% debentures in Krishnan Ltd.

(c) Rs. 10,000 will be paid towards expenses of winding up.

Calculate the Purchase consideration.

18. The following particulars relate to a limited company which went into voluntary liquidation:

	Rs.
Preferential creditors	25,000
Unsecured creditors	58,000
6% debentures	30,000

The assets realised Rs. 80,000. The expenses of liquidation amounted to Rs. 1,500 and the liquidator's remuneration was agreed at 2 1/2 %. On the amount realised and 2% on the amount paid to unsecured creditors including preferential creditors. Show the liquidators final statement of account.

19. The following particulars related to a company which went into voluntary liquidation. Prepare liquidators final statement of account. At that time allow 2% remuneration to liquidator on the amount realised and 3% on the amount distributed to unsecured creditors.

	Rs.
Unsecured creditors	2,80,000
Preferential creditors	20,000
Debentures	1,90,000
Share capital	2,00,000
Assets realised as follows:	
Cash in hand	21,500
Land & Buildings	1,30,000
Plant & Machinery	1,80,000
Furniture	20,000

### Section C (2 × 15 = 30) Marks

Answer any **TWO** questions

20. Prepare in the proper statutory form, the revenue account of the Jai Hind Life assurance Co. Ltd., for the year ended 31st March 2016 from the following information:

	Rs.('000)		Rs.('000)
Claims by death	76,140	Exp. Of Management	31,920
Claims by maturity	30,110	Commission	9,574
Premium	7,05,690	Interest, dividend & rent	97,840
Transfer fees	129	Income tax there on	35,710
Consideration for annuities granted	82,127	Surrenders	13,140
Annuities paid	53,461	Bonus in reduction of premium	980
Bonus paid in cash	2,416	Dividend paid to shareholders	5,500
		Life assurance fund (1.4.2015)	15,21,000

Paid up share capital of the above life assurance company is RS. 5,00,000 thousands and net liability as per actuary's valuation is Rs. 11,05,000 thousands as on 31.3.16.

Prepare a valuation Balance sheet of the company as on that date.

21. From the following information relating to Laxmi Bank Ltd., prepare the Profit & Loss A/c for the year ended 31st December 2017.

	Rs.		Rs.
Rent received	72,000	Salaries and allowances	2,18,800

Exchange and commission	32,800	Postage	5,600
Interest on fixed assets	11,00,000	Sundry charges	4,000
Interest on savings bank A/c	2,72,000	Director and auditor fees	16,800
Interest on overdrafts	2,16,000	Printing	8,000
Discount on bills discounted	7,80,000	Law charges	3,600
Interest on current account	1,68,000	Locker rent	1,400
Interest on cash credits	8,92,000	Transfer fees	2,800
Depreciation on bank property	20,000	Interest on loan	10,36,000

22. M Ltd and N Ltd agreed to amalgamate on the basis of the following Balance sheet as on 31.3.2017.

Liabilities	M (Rs.)	N (Rs.)	Assets	M (Rs.)	N (Rs.)
Share capital Rs 25 each	75,000	50,000	Goodwill	30,000	-
P&L A/c	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
	86,000	58,500		86,000	58,500

The assets and liabilities are to be taken over by a new company formed called P Ltd., at book values. P Ltd.'s capital is Rs. 2,00,000 divided in to 10,000 equity shares of RS. 10 each and 10,000 9% preference shares of Rs. 10 each.

P 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 P Ltd. And prepare its balance sheet, if the amalgamation is in the nature of purchase.

23. From the data relating to a company (in voluntary liquidation), you are asked to prepare liquidator's final statement of accounts:

- (i) Cash with liquidator (after all assets are realised and secured creditors and debenture holders are paid) is Rs. 6,73,800.
- (ii) Preferential creditors to be paid Rs. 30,000
- (iii) Other unsecured creditors Rs. 2,15,000
- (iv) 4,000 6% preference shares of Rs. 100 each, fully paid
- (v) 2,000 equity shares of Rs. 100 each, Rs. 75 per share paid up.
- (vi) 6,000 equity shares of 100 each, Rs. 60 per share paid up
- (vii) Liquidators remuneration 2% on preferential and other unsecured creditors
- (viii) Preference dividend were in arrears for 2 years.