

**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-2022

SEMESTER - IV

20UBCCT4009 - Corporate Accounting - II

Total Duration : 3 Hrs.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Explain the term human resource accounting.
2. Write the features of financial reporting.
3. A truck dealer acquired 6 trucks on 1.1.2020 at Rs.2,00,000 each. His capital on that date was Rs.12,00,000. During the year he sold 4 trucks at an average price of Rs.3,00,000. The replacement dealer price of the truck on 31.12.2020 was Rs.2,40,000. General price level went up by 10% during the year.
You are required to show:
 - (a) Comparative income statement under HCA, CPP and CCA methods, clearly showing the realized and unrealized holdings gains.
 - (b) The balance sheet under all the three methods.
4. Life fund of a life assurance company was Rs.86,48,000 as on 31-3-2006. The interim bonus paid during the intervaluation period was Rs.1,48,000.
The periodical actuarial valuation determined the net liability at Rs.74,25,000. Surplus brought forward from the previous valuation was Rs.8,50,000.
The directors of the company proposed to carry forward Rs.9,31,000 and to divide the balance between the shareholders and the policy holders in the ratio of 1:10.
Show:
 - (a) the valuation Balance sheet.
 - (b) the net profit for the valuation period.
5. From the following information relating to Lakshmi Bank Ltd., prepare the Profit & Loss A/c for the year ended 31st December 2021.

Particulars	Rs.	Particulars	Rs.
Rent received	72,000	Salaries and allowances	2,18,800
Exchange and commission	32,800	Postage	5,600
Interest on fixed deposits	11,00,000	Sundry charges	4,000
Interest on savings bank A/c s	2,72,000	Director's & Auditor's 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 accounts	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 loans	10,36,000

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6. Ram Ltd and Shyam Ltd., have agreed to amalgamate. A new company Rajesh Ltd., has been formed to take over the combined concern as on 31st December 2020.

After negotiations, the assets of the two companies have been agreed upon as shown below:

Balance sheet as on 31-12-2020

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Share capital: shares of Rs. 10 each	10,00,000	5,00,000	Land & Buildings	5,00,000	3,00,000
Reserve fund	-	50,000	Plant & Machinery	2,00,000	2,50,000
P&L A/c	50,000	50,000	Goodwill	-	50,000
Creditors	80,000	50,000	Furniture	1,10,000	-
			Stock	1,50,000	20,000
			Debtors	1,20,000	20,000
			Bank	50,000	10,000
	11,30,000	6,50,000		11,30,000	6,50,000

Prepare the balance sheet of Rajesh Ltd., assuming

- The entire purchase price is paid off in the form of equity shares of Rs.100 each in Rajesh Ltd.
 - The amalgamation is in the nature of Merger.
7. The Ashok Company Ltd. went into voluntary liquidation on 31.12.2018. when the statement of affairs was as below: Unsecured creditors stood at Rs.40,000 including Rs.5,000 Preferential claims. Secured creditors secured on Plant & Machinery stood at Rs.20,000; Cash in hand was Rs.1,000.

The liquidator realized Plant & Machinery for Rs.15,000 and the other assets realized Rs.10,000. The liquidation expenses amounted to Rs.1,000 and the liquidator's remuneration was fixed at 4% of the amount realized including cash balance and 2% of the amount distributed to unsecured creditors including preferential creditors.

Prepare liquidator's final statement of account showing the dividend paid to unsecured creditors.

8. From the following details, calculate the amount of provision on the non-performing assets if the doubtful assets are:
- Secured
 - Unsecured

	Rs.in '000s
Standard assets	2490
Sub-standard assets	1300
Doubtful assets	
Up to 1 year	272
1 year - 3 years	180
Above 3 years	100
Loss assets	112

Section B

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Explain the steps involved in the preparation of Human Resource Accounting.

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10. Prepare in the proper statutory form, the revenue account of the Jai hind Life Assurance Co. Ltd., for the year ended 31st March 2020. From the following figures.

Particulars	Rs. ('000)	Particulars	Rs. ('000)
Claims by death	76,140	Exp. of management	31,920
Claims by maturity	30,110	Commission	9,574
Premiums	7,05,690	Interest, dividend & Rent	97,840
Transfer fees	129	Income tax thereon	35,710
Consideration for annuities granted	82,127	Surrenders	13,140
Annuities paid	53,461	Bonus in reduction of premiums	980
Bonus paid in cash	2,416	Dividend paid to share holders	5,500
		Life assurance fund (1.4.2019)	15,21,000

Paid up share capital of the above life assurance company is Rs.5,00,000 thousands and liability as per actuary's valuation is Rs.11,05,000 thousands as on 31.2.2020. prepare a valuation balance sheet of the company as on that date.

11. From the following, you are required to prepare the Profit & Loss Account and the Balance sheet of Madras Bank Ltd., as on 31-12-1980 according to Banking regulation Act 1949.

Trial Balance as on 31-12-1980

	Debit (Rs. in Thousands)	Credit (Rs. in Thousands)
Issued capital: 20,000 shares of Rs.100 each	-	2,000
Money at call and short notice	800	-
Reserve fund	-	700
Cash in hand	650	-
Deposits	-	2,500
Cash at bank	950	-
Borrowings from SBI	-	500
Investments in Government securities	900	-
Secured loans	1,500	-
Cash credits	500	-
Premises less depreciation	580	-
Furniture less depreciation	120	-
Rent	5	60
Interest and discount	-	800
Commission and brokerage	-	70
Interest paid on deposits	300	-
Salary and allowances paid to staff	150	-
Interest paid on borrowings	50	-
Audit fees	10	-
Directors' fees	8	-
Non-banking assets	80	-
Depreciation on bank's property	13	-
Printing	3	-
Advertisements	1	-
Stationery	5	-
Postage and telegrams	2	-
Other expenses	3	-

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Adjustments:

- (a) Provide Rs.20, 000 for doubtful debts.
- (b) Provide Rs.10, 000 on bills discounted but not matured on 31-12-1980
- (c) Acceptances and endorsements on behalf of customers amounting to Rs.4,00,000.
- (d) Provide Rs.60, 000 for taxes.

12. M Ltd. and N Ltd., agreed to amalgamate on the basis of the following:

Balance Sheets as on 31.12.2020.

Liabilities	Rs.	Rs.	Assets	Rs.	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 into 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.

13. Following is the Balance sheet of K Ltd. as on 31.12.2018.

Liabilities	Rs.	Assets	Rs.
2,000 shares of Rs. 10 each fully paid	20,000	Goodwill	4,000
Profit & Loss A/c	7,000	Fixed assets	16,500
Debenture	10,000	Current assets	19,500
Creditors	3,000		
	40,000		40,000

R Limited agreed to take over the assets of K Ltd. (exclusive of one fixed asset of Rs.4,000 and Cash Rs.1,000 included in current assets) at 10% more than the book values. It agreed to take over creditors also. The purchase price was to be discharged by the issue of 2,000 shares of Rs.10 each at the market value of Rs.15 each and the balance in cash. Liquidation expenses came to Rs.400.

K Ltd. sold the fixed asset of Rs.4,000 and realized the book value. It paid off its debentures and liquidation expenses.

You are required to give Journal entries in the books of K Ltd. and R Ltd.
