

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.

M.Com.(General) - END SEMESTER EXAMINATIONS NOVEMBER - 2023

SEMESTER - I

23PCOCT1001 - Corporate Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. From the following particulars of Ganga Ltd., you are required to calculate the managerial remuneration in the following situations:
 - i. There is only one whole time director
 - ii. There are two whole time directors
 - iii. There are two whole time directors, a part time director and manager

Particulars	Rs.
Net profit before provision for income tax and managerial remuneration, but after depreciation and provision for repairs	8,70,410
Depreciation provided in the books	3,10,000
Provision for repairs of machinery during the year	25,000
Depreciation allowable under schedule XIV	2,60,000
Actual repairs incurred on repairs during the year	15,000

2. From the following particulars, prepare the fire revenue account for the year 2015-2016.

	Rs.
Claims paid	2,35,000
Legal expenses regarding claims	5,000
Premiums received	6,00,000
Reinsurance premium	60,000
Commission	1,00,000
Expenses of management	1,50,000
Provision against unexpired risk on 1.4.2015	2,60,000
Claims unpaid on 1.4.2015	20,000
Claims unpaid on 31.3.2016	35,000

3. On 31.12.03 X Ltd., acquired 80% equity shares of Y Ltd., The P and L account and General Reserve balances as per Balance Sheet of Y Ltd., prepared on 31.12.03 amounting to Rs.6,80,000 and Rs.1,44,000 respectively. On the date of acquisition of shares, the assets of Y Ltd., were revalued and gain of Rs.1,20,000 was found out. Calculate capital profits, Revenue profits and cost of control or goodwill.
4. Calculate the Cost of Sales Adjustment (COSA) from the following data:

Particulars	Historical Cost (Rs.)	Index of goods
Opening Stock	80,000	100
Purchase	4,40,000	110 (Average)
Total Available for sales	5,20,000	
Less : Closing Stock	1,20,000	120
	4,00,000	

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5. A Life Assurance company prepared its Revenue account for the year ended 31.03.2006 and ascertained its Life Assurance Fund to be Rs.28,35,000. It was found later that the following had been omitted from the accounts:
- Interest accrued on investments Rs.39,000
Income tax liable to be deducted thereon is estimated to be Rs.10,500
 - Outstanding premiums Rs.32,800
 - Bonus utilized for reduction of premium Rs.6,750
 - Claims intimated but not admitted Rs.17,400
 - Claims covered under reinsurance Rs.6,500
- What is the true Life Assurance Fund?
6. Explain the objectives of Financial Reporting.
7. Explain the significance of human resource accounting.
8. What is the need for Accounting standards?

Section C

I - Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Moon and Star Co. Ltd., is a company with an authorized capital of Rs.5,00,000 divided into 5,000 equity shares of Rs.100 each on 31.12.2018 of which 2,500 were fully called up. The following are the balances extracted from the ledger as on 31.12.2018.

Trial balance of Moon and Star Co. Ltd.

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Sales	3,25,000
Purchases	2,00,000	Discount received	3,150
Wages	70,000	Profit and Loss a/c	6,250
Discount allowed	4,200	Creditors	35,200
Insurance (upto 31.03.19)	6,720	Reserves	25,000
Salaries	18,500	Loan from managing director	15,700
Rent	6,000	Share capital	2,50,000
General expenses	8,950		
Printing	2,400		
Advertisements	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debts	3,200		
Calls-in-arrears	5,000		
	6,60,270		6,60,270

You are required to prepare statement of profit and loss for the year ended 31.12.2018. The following further information is given:

- Closing stock was valued at Rs.1,91,500
- Depreciation on plant at 15% and on furniture at 10% should be provided
- A tax provision of Rs.8,000 is considered necessary
- The directors declare an interim dividend on 15.08.18 for 6 months ending June 30, 2018 @ 6%

10. The following balances are abstracted from the books of New Bharat Life Insurance company Ltd., as on 31.03.2016

	Rs.
Life assurance fund (1.4.2015)	15,00,000
Premiums	4,96,000
Consideration for annuities granted	15,000
Interest and dividends	1,00,000
Fines for revival of policies	750
Reinsurance premium	20,750
Claims outstanding(1.4.2015)	4,500
Claims paid during the year	64,900
Annuities	2,050
Bonus in reduction of premiums	1,600
Medical fees	2,400
Surrenders	4,000
Commission	18,650
Management expenses	22,000
Income tax on dividends	8,500

Prepare Revenue account after making the following adjustments:

- a) Outstanding balances:
 Claims 14,000
 Premiums 4,600
- b) Further bonus for premium 2,400
- c) Claim under reinsurance 8,000
11. Give the meaning corporate social responsibility and explain the key provisions of companies Act 2013.
12. Ascertain net monetary result or 'general price level gain or loss' from the following information.

	1.1.98 (Rs.)	31.12.98 (Rs.)
Cash and bank balance	60,000	88,000
Accounts receivable	80,000	1,00,000
Accounts payable	1,00,000	1,24,000
General retail price index number	100	125

Average index number for the year 120.

II - Compulsory question (1 × 10 = 10 Marks)

13. On 31st March, 1996 the balance sheets of H Ltd., and its subsidiary S Ltd., stood as follows:

Liabilities	H Ltd.,	S Ltd.,	Assets	H Ltd.,	S Ltd.,
Equity share capital	8,00,000	2,00,000	Fixed assets	5,50,000	1,00,000
General reserve	1,50,000	70,000	75% shares in S Ltd., (at cost)	2,80,000	-
Profit and loss account	90,000	55,000	Stock	1,05,000	1,77,000
Creditors	1,20,000	80,000	Other current assets	2,25,000	1,28,000
	11,60,000	4,05,000		11,60,000	4,05,000

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Draw a consolidated Balance sheet as at 31st March, 1996 after taking into consideration the following information.

- a) H Ltd., acquired the shares on 31st July 1995
- b) S Ltd., earned profit of Rs.45,000 for the year ended 31st March 1996
- c) In January 1996 S Ltd., sold to H Ltd., good costing Rs.15,000 for Rs.20,000. On 31st March 1996 half of these goods were lying as unsold in the godown of H Ltd.,
