

Reg. No. :

Code No. : 20438 E Sub. Code : JMCO 61

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2019.

Sixth Semester

Commerce — Main

CORPORATE ACCOUNTING – II

(For those who joined in July 2016 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Any person liable to contribute to the assets of the company in the event of its being wound up
 - (a) contributories
 - (b) liquidator
 - (c) shareholder
 - (d) none of the above

Liabilities	S Ltd. (Rs.)	M Ltd. (Rs.)	Assets	S Ltd. (Rs.)	M Ltd. (Rs.)
Creditors	20,000	30,000	Debtors	40,000	30,000
B/P	—	5,000	B/R	5,000	—
			Bank	1,00,000	20,000
			Cash	15,000	5,000
			Investment		
			7500 shares		
			of M Ltd	80,000	—
	<u>5,30,000</u>	<u>1,75,000</u>		<u>5,30,000</u>	<u>1,75,000</u>

S Ltd. acquired shares in M Ltd. on 1.1.2015 when M Ltd. had Rs. 10,000 in general reserve. All bills receivables of S ltd are drawn on M Ltd. Prepare consolidated balance sheet.

20. (a) What are the advantages and disadvantages of human resource accounting?

Or

- (b) Explain the advantages and disadvantages of responsibility accounting.

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2. Any sum due to an employee out of provident fund in an example of
- (a) unsecured creditor
 - (b) preferential creditor
 - (c) secured creditor
 - (d) partly secured creditors
3. Profits made by a subsidiary company after the date of purchase of shares by the holding company are known as
- (a) Revaluation profit
 - (b) Realization profit
 - (c) Capital profit
 - (d) Revenue profit
4. When the holding company purchases the shares of the subsidiary company, if the price is more than the paid up value of the shares.
- (a) goodwill
 - (b) profit
 - (c) loss
 - (d) none of the above
5. Banks are required to transfer _____ percentage of their profit to a statutory reserve.
- (a) 20%
 - (b) 25%
 - (c) 10%
 - (d) 15%

6. A non banking asset is
- (a) an investment
 - (b) an item of office appliances
 - (c) any asset acquired from the debtors in satisfaction of claims
 - (d) money at call and short notice
7. Under double account system, preliminary expenses in shown an
- (a) debit side of revenue a/c
 - (b) debit side of net revenue a/c
 - (c) debit side of capital a/c
 - (d) asset side in general B/S
8. Cost of license appears in _____ double account system.
- (a) General Balance Sheet
 - (b) Capital a/c
 - (c) Revenue a/c
 - (d) Net Revenue a/c
9. Under traditional, accounting the amount spent on human resources is treated as an _____.
- (a) expenses
 - (b) income
 - (c) loss
 - (d) profit



10. Social responsibility accounting is

- (a) statutory requirement
- (b) legal requirement
- (c) voluntary disclosure
- (d) none of these

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).

Answer should not exceed 250 words.

11. (a) What is meant by liquidation of companies?

Or

(b) Suthan Ltd, went into liquidation with following liabilities.

- (i) Secured creditors Rs. 35,000 (securities realised Rs. 38,000)
- (ii) Preferential creditors Rs. 3,500
- (iii) Unsecured creditors Rs. 42,000.

Liquidator expenses amounted to Rs. 425. Liquidator is entitled to a commission of 2% on asset realised (including securities) held with creditors and $2\frac{1}{2}\%$ on the amount paid to unsecured creditors. The various assets realised (excluding securities with creditors) amounted to Rs. 33,500. Prepare Liquidator's final statement of account.

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12. (a) What is statutory reserve? How is it calculated?

Or

(b) Calculate rebate on bills discounted as on 31.3.2013.

Date of bill	Amount	Period	Rate of discount
15.01.2013	30,000	5 months	8%
20.02.2013	35,000	3 months	7%
24.03.2013	40,000	4 months	7%
28.03.2013	45,000	2 months	9%

13. (a) Draw a specimen form of "Minority Interest".

Or

(b) From the following balance sheet of two companies prepare consolidated Balance Sheet.

Liabilities	X	Y	Assets	X	Y
	Rs.	Rs.		Rs.	Rs.
Share capital (Rs. 10 each)	20,000	4,000	Fixed assets	36,000	6,300
Reserves	12,000	-	Investment (300 shares)	4,000	-
P/L a/c	8,000	4,800	Current assets	2,000	3,700
Creditors	2,000	1,200			
	<u>42,000</u>	<u>10,000</u>		<u>42,000</u>	<u>10,000</u>

X Ltd. acquired the shares in Y Ltd. at the end of this year.

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14. (a) What are the advantages of Double Account System?

Or

- (b) Compute Reasonable return from the following information given below :

Capital base	Rs. 36,00,000
Loan from electricity board	Rs. 28,00,000
Development reserve	Rs. 10,00,000
10% debentures	Rs. 6,00,000
Reserve fund investment (6%)	Rs. 50,00,000

Assume the bank rate to be 8%.

15. (a) Define human resource accounting. Explain the objectives of this system.

Or

- (b) What is responsibility centres? What are its types?

PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).

Answer should not exceed 600 words.

16. (a) What is Liquidation? State the various modes of liquidating a company.

Or

- (b) 'S' company went into voluntary liquidation. It's assets realised Rs. 3,50,000 excluding the amount realised by sale of securities held by the secured creditors. The following was the position.

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Rs.

Share capital :

1000 shares of Rs. 100 each 1,00,000

Secured creditors

(Security received Rs. 45,000) 40,000

Preferential creditors 8,000

Unsecured creditors 1,60,000

Debentures 3,00,000

Liquidation expenses 7,000

Liquidator's remuneration 9,500

Prepare liquidator's final statement.

17. (a) On 31st December 2016 the following Balance sheet in the books of Shian Bank Ltd, after preparation of the profit and loss account.

Rs.

Issued and subscribed	40,00,000
Reserve fund (under sec. 17)	62,00,000
Fixed deposits	4,26,00,000
Saving bank deposits	1,90,00,000
Current accounts	2,32,00,000
Money at call short notice	18,00,000
Investments	2,50,00,000

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	Rs.
Profit/loss a/c (or) 1 st January 2016	13,50,000
Dividend for 2015	4,00,000
Cash in hand	3,80,000
Cash with RBI	1,00,00,000
Cash with other banks	60,00,000
Bills discounted and purchased	38,00,000
Loans, cash creditors and overdrafts	5,10,00,000
Bills payable	70,000
Unclaimed dividend	60,000
Rebate on bills discounted	50,000
Short loans (borrowings from another banks)	47,50,000
Furniture	11,64,000
Premises	2,95,000
Other assets	3,36,000
Net profit for 2016	15,50,000

Prepare Balance sheet of the Bank as on 31st December 2016.

Or

- (b) What are the legal restrictions imposed on banking companies?

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18. (a) Explain the advantages and disadvantages of Double Account System.

Or

- (b) Ahmedabad Railway station is to be rebuilt and acquired a cash outlay of Rs. 29,00,000. The original cost was Rs. 6,50,000 and it is estimated that the station would cost Rs. 24,00,000 to replace as it stands. In addition materials to the value of Rs. 75,000 were taken up from the original station and Rs. 50,000 were realised from the sale of scrap.

Pass necessary Journal entries for the above and show amount to be charge to capital and to revenue.

19. (a) What do you mean by Holding Company? How do you calculate Minority Interest, cost and control and consolidated Balance sheet?

Or

- (b) 31.12.2015 balance sheet of S and M Ltd.

Liabilities	S Ltd. (Rs.)	M Ltd. (Rs.)	Assets	S Ltd. (Rs.)	M Ltd. (Rs.)
5,000 equity shares of Rs. 100	5,00,000		Land and building	1,00,000	40,000
10,000 equity shares of Rs. 10		1,00,000	Plant and machinery	1,00,000	50,000
General reserve	10,000	40,000	Stock	90,000	30,000

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