

D 11765-B

(Pages : 5)

Name.....

Reg. No.....

**THIRD SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION  
NOVEMBER 2021**

B.Com.

BCM 3B 04—CORPORATE ACCOUNTING

(2014—2015 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A***Answer all questions.**Each question carries 1 mark.*

I. Choose the correct answer :

- 1 Bonus shares are also called \_\_\_\_\_.
  - a) Right shares.
  - b) Property dividend.
  - c) Stock dividend.
  - d) Joint dividend.
- 2 The difference between called up capital and paid up capital is called \_\_\_\_\_.
  - a) Subscribed capital.
  - b) Authorized capital.
  - c) Reserve capital.
  - d) Call in arrear.
- 3 The maximum rate of interest which can be allowed on calls in arrear as per companies act 2013 is \_\_\_\_\_.
  - a) 5 %.
  - b) 10 %.
  - c) 12 %.
  - d) 15 %.
- 4 Assets acquired in satisfaction of claims are \_\_\_\_\_.
  - a) Banking assets.
  - b) Monetary assets.
  - c) Non monetary assets.
  - d) Non banking assets.
- 5 A policy taken for a fixed period or up to a particular age of the insured is \_\_\_\_\_ policy.
  - a) Whole life policy.
  - b) Endowment policy.
  - c) Money back policy.
  - d) None of these.

**Turn over**

## II. Fill in the blanks :

- 6 The portion of profit payable as bonus to the policy holders on maturity is called \_\_\_\_\_.
- 7 NPA stands for \_\_\_\_\_.
- 8 Internal reconstruction is also called \_\_\_\_\_.
- 9 Statutory reserve to be kept by banks is \_\_\_\_\_ percentage of net profit.
- 10 EPS stands for \_\_\_\_\_.

(10 × 1 = 10 marks)

**Part B (Short Answer Questions)**

*Answer any **eight** questions.  
Each question carries 2 marks.*

- 11 What is re-issue of forfeiture share ?
- 12 What is buy back of shares ?
- 13 What is purchase consideration ?
- 14 What is intrinsic value method of purchase consideration ?
- 15 What is SLR ?
- 16 What is statutory reserve in Banking company ?
- 17 What are NPA ?
- 18 What is double insurance ?
- 19 What is bonus in reduction of premium ?
- 20 What is insurable interest ?

(8 × 2 = 16 marks)

**Part C (Short Essay Questions)**

*Answer any **six** questions.  
Each question carries 4 marks.*

- 21 Briefly explain the methods of redemption of preference shares.
- 22 Explain the conditions of issue and redemption of debentures.
- 23 What are the features of Banking accounting system ?

- 24 Distinguish standard assets, sub standard asset and loss assets in banking business.
- 25 On 31<sup>st</sup> March 2011, life assurance fund of C Life Insurance Company stood at Rs. 1,48,60,000 its net liability as per actuarial valuation as on that date was 86,00,000 A dividend of Rs. 8,00,000 was payable to the shareholders for the year ended 2010-11. But an interim bonus of Rs. 4,50,000 was paid to the policy holders during the two year period ending 31<sup>st</sup> March 2011.

Prepare statement showing the amount now available as bonus.

- 26 Calculate rebate on bill discounted as on 31<sup>st</sup> March 2010 :

Date of the bill	Amount	Period	Rate of interest
20-01-10	80000	5 months	16 %
10-02-10	40000	4 months	18 %
15-03-10	60000	2 months	15 %

- 27 Z ltd offers new shares Rs. 100 each at a premium of 10 % to the existing shareholders in the ratio of two shares for every five shares held. The market price of a share is Rs .124. Calculate the value of right shares.
- 28 On 1 January 2007, Balu Ltd issued 1000, 6 % debentures of Rs. 100 each repayable at the end of 4 year at a premium of 10 %. It is decided to create a sinking fund for the purpose, the investment is expected to yield 5 % net. Sinking fund table shows that Re.0.232012 invested annually amounts to Re. 1 at 5 % in 4 years. Investments were made in multiples of 100 only. On 31 December 2010, the balance at the bank was Rs. 40,000 and the investment realized Rs. 82,000. the debentures were paid off.

Give journal entries and show ledger accounts except for debenture interest.

(6 × 4 = 24 marks)

#### Part D (Essay Questions)

Answer any **two** questions.

Each question carries 15 marks.

- 29 Prepare balance sheet under schedule III of companies act :

Paid up capital (50,000 shares of 10 each)	...	5,00,000
General Reserve	...	1,00,000
Profit and Loss Account (1-4-14)	...	52,000

**Turn over**

Profit for the current year	...	1,28,000
Bank Loan	...	1,64,000
Sundry creditors	...	1,76,000
Unclaimed dividend	...	2,000
Bills Payable	...	32,000
Plant and Machinery	...	58,000
Land and Building	...	1,82,000
Stock	...	5,80,000
Debtors	...	2,84,000
Cash at Bank	...	28,000

The Board recommend the following recommendations :

- a) Transfer to General reserve Rs. 60,000
- b) Proposed Dividend Rs. 50,000
- c) Provide for corporate divined tax @ 20 %
- d) Authorized capitals 10,00,000

30 Following figures have been obtained from the books of Rai Bank Ltd for the year ending 31<sup>st</sup> March 2011 (figures in '000) :

Issued and subscribed capital Rs. 1,000, Interest and discount earned Rs. 3,800, Commission and exchange earned Rs.195, Interest paid Rs. 2,000, Salaries and wages Rs. 210, Directors fees Rs. 35, Rent and taxes Rs.70, Postage and telegrams Rs. 61, Profit on sale of investments Rs. 240, Loss on sale of investments Rs. 38, Rent received Rs. 62, Depreciation Rs. 31, Stationary Rs. 60 and Auditors fees Rs. 8.

Additional information :

- a) The profit and loss account had a balance of Rs. 10,00,000 on 1<sup>st</sup> April 2010.
- b) An advance of Rs. 12,00,000 has become doubtful and it is expected that only 50 % of the amount due can be recovered from the security.
- c) The provision of tax is made at 50 %.
- d) A dividend of 10 % is proposed.

Prepare Profit and Loss Account of Rai Bank Ltd for the year ending 31<sup>st</sup> March 2011.

31 From the following information prepare Revenue Account of Safe Insurance Co. Ltd. as on 31<sup>st</sup> March 2011 (figures in 000s) :

Claims by death	...	Rs. 1,52,280
Claims by maturity	...	Rs. 60,220
Premiums	...	Rs. 14,11,380
Transfer fees	...	Rs. 258
Consideration for annuities granted	...	Rs. 1,64,254
Annuities paid	...	Rs. 1,06,922
Bonus in cash	...	Rs. 4,832
Expenses of Management	...	Rs. 63,840
Commission	...	Rs. 19,148
Interest and dividend	...	Rs. 1,95,680
Income tax	...	Rs. 11,420
Surrenders	...	Rs. 26,280
Bonus in reduction of premium	...	Rs. 1,960
Dividends to shareholders	...	Rs. 11,000
Life Assurance Fund	...	Rs. 30,42,000.

(2 × 15 = 30 marks)