

Reg. No. :

**Code No. : 20438 E Sub. Code : JMCO 61/
SMCO 61**

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2020.

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 the questions.

Choose the correct answer :

1. Who are called preferential creditors?
 - (a) Debentures
 - (b) Share holders
 - (c) Bankers
 - (d) Taxes due to government

2. A contributory is a
 - (a) Unsecured creditor
 - (b) Share holders
 - (c) Debentures
 - (d) Preferential creditors
3. Which of the following is not type of NPA (Non-performing assets)
 - (a) Sub-standard assets
 - (b) Doubtful assets
 - (c) Current assets
 - (d) Loss assets
4. Percentage of profit transferred to statutory reserve is
 - (a) 25%
 - (b) 20%
 - (c) 15%
 - (d) 10%
5. Under double account system, shares forfeited account is shown in
 - (a) Credit side of Revenue account
 - (b) Credit side of net revenue account
 - (c) Credit side of capital account
 - (d) Liabilities side of General balance sheet

6. Cost of licences appears in
- (a) General balance sheet
 - (b) Capital account
 - (c) Revenue account
 - (d) Net revenue account
7. A company in which more than 50% of share are held by another company is termed as
- (a) Holding company
 - (b) Subsidiary company
 - (c) Government company
 - (d) Public company
8. Profits earned by a subsidiary company after the date of purchase of shares by the holding company are known as
- (a) Revaluation profit
 - (b) Capital profits
 - (c) Revaluation profit
 - (d) Revenue profit

- (a) opportunity costs
- (b) imputed costs
- (c) current costs
- (d) capital costs

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

11. (a) Calculate liquidator's remuneration from the following particulars:

Or

- (b) The liquidator of RR and Co. Ltd. is entitled to get a remuneration of 3% on the amount realised from the assets and 2% on the amount distributed to the unsecured creditors. From the following particulars, calculate the remuneration payable:

(i) Cash realised from assets Rs. 3,00,000

(ii) Preferential creditors Rs. 10,000

(iii) Amount due to unsecured creditors
Rs. 4,00,000.

12. (a) Calculate net profit earned by Start bank Ltd. from the data given below for the year ended 31.3.2013:

	Rs.
Interest earned	5,00,000
Other incomes	37,000
Income expended	3,40,000
Operating expenses	1,05,000
Rebate on bills discounted	
1.4.2012	40,000
31.3.2013	52,000

Or

- (b) On 1st October 2017, Velan bank discounted a bill of Rs. 20,000 @ 12% p.a. and the bill has on that date exactly four months to run considering the days of grace also. Journalise. (Accounts are closed on 31st December).

13. (a) From the following data, compute the amount to be charged to revenue account.

Present costs of replacing the old works
Rs. 1,80,000

Amount realised on the sale of old materials
Rs. 10,000

Value of old material used in the reconstruction Rs. 250.

Or

- (b) Ascertain the amount to be capitalised from the following information

Total cost of new asset Rs. 20,00,000

Estimated present cost or replacement
Rs. 12,00,000.

14. (a) A subsidiary company has a capital of Rs. 5,00,000 in shares of Rs. 100 each out of which the holding company acquired 80% of the shares at Rs. 6,00,000. The profits of the subsidiary Co. on the date of acquisition of shares by the holding Co. were Rs. 3,00,000. Calculate the value of goodwill or capital reserve.

Or

- (b) Stock of Rs. 3,20,000 held by H Ltd consists of Rs. 1,20,000 goods purchased from S Ltd who has charged profit on sale of 20%. H Ltd acquired 80% of shares of S Ltd. Calculate the amount of unrealised profit included in stock.

15. (a) State the objectives of Human Resource Accounting.

Or

- (b) What do you mean by historical cost of Human Resource accounting?

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) The capital of Tamilnadu company Ltd. which went into liquidation was as follows:
- (i) 4,000 equity shares of Rs. 100 each, fully paid
 - (ii) 3,000 equity shares of Rs. 100 each, Rs. 80 per share paid up
 - (iii) 1,000 preference shares of Rs. 100 each fully paid (these have preference in the repayment of capital)
 - (iv) 1,000 deferred shares of Rs. 100, Rs. 80 per share paid up (these to be repaid only after satisfying the claims of equity shareholders).

The various creditors amounted in all to Rs. 1,00,000 including the liquidator's remuneration of Rs. 2,500. The liquidator made a call of the remaining Rs. 20 per share on the deferred shares which was paid in full.

He also realised all the assets amounting to Rs. 1,91,000.

A call of Rs. 15 per share was made on the equity shares which were partly paid up. This was paid in full, with the exception of that on 100 shares which shares forfeit the right of refund of capital.

Prepare the liquidator's account showing the return to the shareholders.

Or

- (b) Vijay Ltd went into liquidation with the following liabilities
- (i) Secured creditors Rs. 30,000 (Securities realised Rs. 35,000)
 - (ii) Preferential creditors Rs. 700
 - (iii) Unsecured creditors Rs. 40,500

Liquidators expenses are Rs. 352; He is entitled to a remuneration of 4% on the amount realised (including securities with creditors) and 2% on the amount distributed to unsecured creditors. The various assets realised Rs. 36,000. Prepare the liquidators final statement of account.

17. (a) On 31st December 2016, the following balances stood in the books of TN bank Ltd., after preparation of its profit and loss account

	(Rs. '000)		(Rs.'000)
Share capital :		Cash in hand	380
Issued and subscribed	4,000	Cash with RBI	10,000
Reserve fund	6,200	Cash with other banks	6,000
Fixed deposits	42,600	Bills discounted and purchased	3,800
Saving bank deposits	19,000	Loans, cash credits and overdrafts	51,000
Current accounts	23,200	Bill payable	70
Money at call and short notice	1,800	Unclaimed dividend	60
Investments	25,000	Rebate on bills discounted	50

	(Rs. '000)		(Rs.'000)
Profit and loss account (Cr.)	1,350	Short loans (borrowing from other banks)	4,750
1 st January 2016		Furniture	1,164
Dividend for 2015	400	Other assets	336
Premises	2,950	Net profit for 2016	1,550

Prepare balance sheet of the bank as on
31st December 2016.

Or

- (b) From the following particulars, prepare the profit and loss a/c of Punjab Bank Ltd for the year ending 31.3.2015. Interest on deposits Rs. 32,00,000; Commission (Cr) Rs. 1,00,000; Interest on loans Rs. 24,90,000; Sundry charges (Dr) Rs. 1,00,000; rent and taxes Rs. 2,00,000. Establishment Rs. 5,00,000; Discount on bills discounted Rs. 14,90,000; Interest on overdrafts Rs. 16,00,000; Interest on cash credit Rs. 23,20,000. Auditors fees Rs. 350; directors fees Rs. 1,66,000; Bad debts Rs. 3,00,000.

18. (a) From the information furnished below, you are required to calculate reasonable return:

Capital base: Rs. 15,39,000

Rs.

Reserve fund investment (4%)	14,25,000
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Loan from electricity board	11,40,000
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12% debentures	5,70,000
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Development reserve	2,85,000
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Assume bank rate as 5%

Or

- (b) Explain the advantages of Double account system.

19. (a) Bring out the difference between pre-acquisition profits and post-acquisition profits.

Or

- (b) The Sun co. Ltd. acquired 18,000 shares in the Moon Co. Ltd., on 1st October 2016. The balance sheets of the two companies as on 31st December 2016 were as under

Liabilities	Sun Co.	Moon Co.	Assets	Sun Co.	Moon Co.
Share capital:			Sundry assets	1,00,000	2,70,000
Equity shares of Rs. 10 each	2,50,000	2,00,000	Shares in the Moon Co. Ltd	2,50,000	—
General Reserve	50,000	40,000			
Profit and Loss A/c	30,000	20,000			
Creditors	20,000	10,000			
	<u>3,50,000</u>	<u>2,70,000</u>		<u>3,50,000</u>	<u>2,70,000</u>

The profit and Loss a/c of the Moon Co. Ltd. had a credit balance of Rs. 6,000 on January 1st 2016. The profit of 2016 acquired evenly throughout the year. Prepare the consolidated balance sheet as on 31st December 2016.

20. (a) Explain the problems involved in the Human Resource Accounting.

Or

- (b) Bring out the limitations of Human Resource Accounting.
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