

Reg. No.

S. No.280 BATCH:2015,2016

END OF SEMESTER EXAMINATIONS, APRIL/MAY- 2019
CORPORATE ACCOUNTING - II
SUBJECT CODE: ISUAPA22

MAJOR : B.COM (PA)
TIME : 3 HOURS

SEMESTER : VI
MAX.MARKS: 75

SECTION - A (10 X 1 = 10)

Answer ALL Questions:

1. Define: Non-Performing Assets.
2. What is Statutory Reserve?
3. What is 'Life Assurance Fund'?
4. What is meant by "Reserve for unexpired risk"?
5. Define: Holding Company.
6. What is meant by Cost of Control?
7. What is meant by Double Account System?
8. Define: Replacement of Asset.
9. What is meant by International Accounting Standards?
10. Why Accounting Standards are needed?

SECTION - B (5 X 4 = 20)

Answer any FIVE Questions:

11. On 31st March, 2008 a bank held the following bills, discounted by it earlier.

Date of Bill (2008)	Term of Bill (Months)	Discounted @ % p.a.	Amount of Bill
Jan 17	4	17	7,30,000
Feb 7	3	18	14,60,000
Mar. 9	3	17.5	3,64,000

You are required to calculate the rebate on bills discounted and also show the necessary journal entry for the rebate.

12. The Life Fund of a Life Insurance Company as on 31.03.2006 showed a balance of Rs. 54,00,000. However, the following items were not taken account while preparing the Revenue account for 2005-2006. Ascertain the correct life fund balance.
 - a) Interest and dividends accrued on Investments Rs. 25,000
 - b) Income tax deducted at source on the above Rs. 6,000
 - c) Reinsurance claims recoverable Rs. 7,000
 - d) Commission due on reinsurance premium paid Rs. 10,000
 - e) Bonus in reduction of premiums Rs. 3,000
13. P Ltd., acquired 65% shares of Q Ltd., on 01.10.02. P & L A/c in the books of Q Ltd., showed a debit balance of Rs. 40,000 on 01.04.02. On 31.03.03, the Balance Sheet of Q Ltd., showed P& L A/c balance of Rs.1,20,000. Calculate capital Profit and Revenue Profits.
14. The Bangalore Municipal Corporation replaces part of its existing water mains with larger mains at the cost of Rs. 75,00,000. The original cost of laying the old mains was Rs. 15,00,000 and the present cost of laying those mains would be three times the original cost Rs. 1,25,000 was realized by the sale old materials and old materials of Rs. 3,75,000 were used in the replacement and included in the cost given above. Give the journal entries to record the above and show the allocation of expenses between revenue and capital along with Replacement Account. <http://www.onlinebu.com>
15. Write a note on: IFRS.
16. On 31st March 1998, National Commercial Bank Ltd., finds its advances classified as follows:

Standard Assets	Rs.14,91,300
Sub-standard Assets	Rs. 92,000
Doubtful assets (secured)	
:Doubtful for one year	Rs.25,600
:Doubtful for one year to 3 years	Rs. 15,640
:Doubtful for more than 3 years	Rs. 6,580
Loss Assets	Rs. 10,350

Calculate the amount of provision to be made by the bank against the above mentioned advances.
17. Enumerate the difference between double entry system and double accounts system.
18. Bring out the benefits and limitations of Accounting standards.

SECTION - C (3 X 15 = 45)

Answer any THREE Questions:

19. From the following information, prepare the Profit and Loss Account of ABC Bank limited for the year ended 31st March 1992 in the prescribed form.

Particulars	Amount
Interest on Loan	2,59,000
Interest on Fixed Deposits	2,75,000
Rebate on bills discounted required	49,000
Commission	8,200
Establishment	54,000
Discount on bills discounted	1,95,000
Interest on cash credit	2,23,000
Interest on Current Accounts	42,000
Rent and Taxes	18,000
Interest on Overdraft	1,54,000

Director's fees	3,000
Auditor's fees	1,200
Interest on savings bank deposits	68,000
Postage and Telegrams	1,400
Printing and Stationery	2,900
Sundry Charges	1,700

Bad debts to be written off amounted to Rs. 40,000. Provision for taxation may be made @ 55%. Balance of profit from last year was Rs. 1,20,000. The directors have recommended a dividend a Rs. 20,000 for the shareholders.

20. The following balances are abstracted from the books of New Bharat Life Insurance Company Ltd., as on 31.03.2006.

Particulars	Amount
Life Assurance Fund (01.04.2005)	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 (01.04.2005)	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 A/c after making the following adjustments.

- Outstanding balances

	Rs.
Claims	14,000
Premiums	4,600
 - Further bonus for premium 2,400
 - Claim under reinsurance 8,000
21. Explain the steps involved in preparation of consolidated balance sheet of holding companies.
22. The following are the balances on 31.03.04 in the books of Ernakulam Power and Light Company Limited.

Particulars	Debit (Rs.)	Credit (Rs.)
Lands on 31.03.03	1,20,000	-
Lands expended during 2003-04	4,000	-
Machinery on 31.03.03	4,80,000	-
Machinery expended during 2003-04	4,000	-
Mains including cost of laying	1,60,000	-
Mains expended during 2003 - 04	40,800	-
Equity Shares	-	4,39,200
Debentures	-	1,60,000
Sundry Creditors	-	800
Depreciation Fund A/c	-	2,00,000
Sundry Debtors for current supplied	32,000	-
Other debtors	400	-
Cash	4,000	-
Cost of generation of electricity	28,000	-
Cost of distribution of electricity	4,000	-
Rent, Rates and Taxes	4,000	-
Management Expenses	9,600	-
Depreciation	16,000	-
Sale of current	-	1,04,000
Rent of Meters	-	4,000
Interest on Debentures	8,000	-
Interim Dividend	16,000	-
Net Revenue A/c Balance on 31.03.2003	-	22,800
	9,30,800	9,30,800

From the above Trial balance, Prepare Revenue A/c, Net Revenue A/c, Capital A/c and General Balance Sheet.

23. Explain any five Indian Accounting Standards.