ALL SAINTS COLLEGE LIBRARY
THIRUVANANTHAPURAM

(Pages : 6)

R – 2440

Reg. No. : .....

Name : .....

Fourth Semester B.Com. Degree Examination, July 2023

First Degree Programme under CBCSS

Core Course

CO 1443 / CC 1444 : CORPORATE ACCOUNTING

(Common for Commerce/Commerce with Computer Application)

(2018 Admission onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** the questions in **1** or **2** sentences each. Each question carries **1** mark each.

1. What is authorised capital?
2. What do you mean by Fictitious Assets?
3. Name the treatments that can be adopted when shares are oversubscribed.
4. Define 'Accounting Standards'.
5. State the concept of 'Reinsurance'.
6. Enlist the accounting concepts.
7. What does GAAP stands for?
8. Define 'Prospectus'.
9. What are non-banking assets?
10. Give four examples of schedule 14 of Bank's Final Accounts.

(10 × 1 = 10 Marks)

P.T.O.

SECTION – B

Answer **any eight** questions in not exceeding **1** paragraph each. Each question carries **2** marks.

11. Briefly explain the Accounting Standard 9.
12. Write short notes on 'Forfeiture of Shares'.
13. What is Capital reduction A/c?
14. Define Standard Assets.
15. Write a note on 'Money at Call and Short notice'.
16. Distinguish between Cash bonus and Reversionary Bonus.
17. Explain the conditions to be satisfied when the shares are issued at a discount.
18. What are the methods available for altering share capital?
19. Explain the procedure to forfeit the shares issued by a company.
20. Write a note on 'Classification of Bank Advances'.
21. What do you mean by Prudence or Conservatism?
22. Mention the limitations of slip system of posting.

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions in not exceeding **120** words each. Each question carries **4** marks.

23. A limited company has an authorised capital of Rs.2,50,000 in Rs.10 shares. Of these 4,000 shares were issued as fully paid in payment of building purchased and 8,000 shares were subscribed for by the public, and during the first year Rs.5 per share was called payable Rs. 2 on application, Re. 1 on allotment, Re. 1 on first call and Re. 1 on second call. The amounts received in respect of these shares were as follows:

On 6,000 shares the full amount called

On 1,250 shares Rs.4 per share.

On 500 shares Rs.3 per share.

On 250 shares Rs.2 per share.

The Directors forfeited the share on which less than Rs.4 had been paid. You are required to show journal entries in the books of the company.

24. Z Ltd. Passed resolution for the reduction of its share capital by Rs.5,00,000 for its purposes mentioned as under:

(a) To write off the debit balance of P& L A/c of Rs.2,10,000.

(b) To reduce the value of machinery by Rs.90,000 and goodwill by Rs.40,000.

(c) To reduce the value of investments by Rs.80,000.

The reduction was made by converting 50,000 preference shares of Rs.20 each fully paid to Rs.15 each fully paid and by converting 50,000 equity shares of Rs.20 each on which Rs.15 paid up into 50,000 equity shares of Rs.10 each fully paid up.

Give journal entries to record the capital reduction.

25. From the following information, find out the amount of provision to be shown in the profit and loss account of a commercial bank:

Assets	Rs. In Lakhs
Standard	8,000
Sub-standard	6,000
Doubtful: for one year (unsecured 10%)	1,000
for two years (unsecured 20%)	1,600
for more than three years (no surety)	400
Loss Assets	1,200

26. From the following particulars calculate the amount of claim to be debited in the Revenue Account:

Particulars	Amount
Claims paid during the year	32,00,000
Claims outstanding at the beginning of the year	1,60,000
Re-insurance claim	1,80,000
Expenses on claim	30,000
Claims intimated and accepted but not paid at the end of the year	1,20,000
Claims intimated but not accepted at the end of the year	90,000

27. Briefly explain "Loss Assets".

28. State legal provisions as to the utilisation of premium.

29. Write a note on 'Diluted EPS'.

30. What is profit prior to incorporation and after incorporation?

31. Distinguish Surrender of Shares and Forfeiture of shares.

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions in not exceeding **4** pages each. Each question carries **15** marks.

32. Following figures have been obtained from the books of the Rana Bank Ltd. For the year ending 31st March, 2010:

Particulars	Amount (in '000)	Particulars	Amount (in '000)
Issued and subscribed capital	1,000	Postage and telegrams	61
Interest and discount earned	3,800	Profit on sale of investments	240
Commission and exchange		Loss on sale of investments	38
earned	195	Rent received	62
Interest paid	2,000	Depreciation	31
Salaries and wages	210	Stationery	60
Director's fees	35	Auditors' fees	8
Rent and taxes	70		

Additional information:

(a) The profit and loss account had a balance of Rs.10,00,000 on 1st April, 2009.

(b) An advance of Rs.12,00,000 had become doubtful and it is expected that only 50% of the amount due can be recovered from the security.

(c) The provision of tax be made at 50%.

(d) A dividend of 10% is proposed.

Prepare Profit and Loss Account of the Rana Bank Ltd. For the year ending 31st March, 2010.

33. What does GAAP mean? Elucidate the framework developed by GAAP.

34. Explain the proforma of Profit and Loss account of Insurance company.

35. Following is the Trial Balance of Swaraj Ltd. As on 31st March, 2010:

Debit Balance	Amount	Credit Balance	Amount
Cash in hand	30,000	Creditors	1,00,000
Land and Building	3,00,000	Sales	3,70,000
Opening stock	32,000	Interest	5,000
Bank balance	1,00,000	General reserve	1,25,000
Investments	2,00,000	Profit and Loss A/c	1,00,000
Purchases	1,22,000	Share Capital	5,00,000
Wages	18,000		
Salaries	82,000		
Office expenses	10,000		
Rent and Taxes	12,000		
Goodwill	2,60,000		
Sundry Debtors	34,000		
Total	12,00,000	Total	12,00,000

Additional information:

(a) Closing stock Rs.1,26,000.

(b) Provide depreciation on Land and Building @10%.

(c) Interest accrued Rs.5,000.

(d) Provide for taxation Rs.50,000.

(e) Directors recommend a dividend of 10% on equity shares. Ignore Corporate Dividend Tax.

Prepare Final Accounts.

(2 × 15 = 30 Marks)