

Reg. No. :

Name :

**Sixth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,
November 2024**

Paper I – CORPORATE ACCOUNTING

(2020 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

(A) Answer any **five** questions. Each question carries **2** marks.

1. What is ESOP?
2. What is commission on reinsurance ceded?
3. What do you mean by non-banking assets?
4. What are prior period items?
5. What is EBIT?
6. State two benefits of convergence with IFRS.
7. What is Deferred tax liability?

(5 × 2 = 10 Marks)

(B) Answer any **four** questions. Each question carries **4** marks.

8. Discuss the provisions and different ways of alteration of share capital.
9. State the advantages and disadvantages of slip system of posting.
10. Mention the statutory and subsidiary books maintained by insurance companies.
11. Sorrow Ltd resolved the following; Give journal entries.
 - (a) To reduce 3000 equity shares of Rs. 10 each to an equal number of shares of Rs. 7 each
 - (b) To reduce 8% debentures of Rs. 1,00,000 to 10% debentures of Rs. 70,000

P.T.O.

(c) To utilise the amount available to write of Goodwill Rs. 30,000, Preliminary expenses

Rs. 20,000, P & L a/c debit balance Rs. 40,000 and remaining to write down Plant and Machinery.

12. From the following information prepare Schedule 2 – Claims.

Claims paid during the year 6,20,000 Claims outstanding at the beginning of the year 20,000 Claims outstanding at the end of the year 60,000 Legal expenses relating to claims 5,000 Medical Expenses relating to claims 10,000 Claims on reinsurance ceded 15,000 Claims on reinsurance accepted 25,000.

(4 × 4 = 16 Marks)

(C) Answer any **four** questions. Each question carries **6** marks.

13. Moon Fire Insurance Company Ltd commenced its business on 1st April 2019. The following information is available for the year ended 31.03.2020.

Premiums received	30,00,000
Re-insurance premium paid	2,00,000
Claims paid	14,00,000
Expenses of Management	6,00,000
Commission paid	1,00,000
Claims outstanding on 31.03.2020	2,00,000

Create reserve for unexpired risk @ 50%. Prepare revenue account with schedules for the year ended 31.03.2020.

14. The following is an extract of trial balance of Fed Bank Ltd as on 31.03.2020.

Bills Discounted	51,50,000(Dr)
Rebate on bills discounted (1.4.2019)	30,500 (Cr)
Discount Received	1,45,500(Cr)

An analysis of the bills discounted as mentioned above shows the following :

Date of Bill	Amount	Period	Rate of discount
13.01.2019	7,50,000	4 months	18%
17.02.2019	6,00,000	3 months	18%
06.03.2019	4,00,000	4 months	16%
16.03.2019	2,00,000	2 months	15%

Calculate the amount to be credited to Profit and Loss a/c. Also pass journal entries for the same.

15. Define Accounting standards. Discuss its objectives and nature.
16. The following items appear in the Balance Sheet of DuPont Ltd as on 31.03.2019.

Capital and Liabilities	Amt	Assets	Amt
(a) Equity shares of Rs. 10 each	40,00,000	Tangible Assets	34,00,000
(b) Surplus account (negative)	(3,80,000)	Goodwill	10,00,000
(c) Trade Payables	30,00,000	Inventories	16,00,000
		Trade receivables	6,00,000
		Cash and Cash equivalents	20,000
Total	66,20,000	Total	66,20,000

The following scheme of reconstruction was approved by the court.

- (a) To reduce the paid up capital by Rs. 5 per share
- (b) To write off goodwill and negative balance in surplus a/c
- (c) To write down Plant and Machinery by 6,20,000

Give journal entries to implement the scheme and prepare capital reduction account.

17. Explain the term insurance. State the key differences between Life insurance and General insurance.

(4 × 6 = 24 Marks)

- (D) Answer any three questions. Each question carries 10 marks.

18. From the following balances of Vishal Ltd., prepare the Balance Sheet of the company as on 31st March 2015 as per Schedule III of the Companies Act.

	Rs.		Rs.
Advances to employees	3,00,000	Equity Share Capital	52,00,000
Cash at Bank	3,14,320	Capital Reserve	60,000
Furniture & Fixture	7,50,000	Loan from SBI	8,00,000

	Rs.		Rs.
Premises	41,09,940	Provision for Employees Welfare Fund	6,00,000
Patents	10,00,000	Proposed Dividend	1,64,000
Discount on issue of shares (unwritten off)	25,000	Short term loan from bank	4,90,200
Trade Receivables	3,66,240	Unpaid dividend	64,800
Advance Tax	50,000	Profit & Loss A/c	42,980
8% Govt. Bonds	3,36,000	Bills Payable	85,100
Stock in trade	3,55,600	Sundry Creditors	1,00,020

19. With effect from 1 April 2021, ABC Ltd.'s promoters assumed control of the company's operating operations. The corporation was established on August 1st, 2021. According to the annual records, which were completed through March 31, 2022, sales for the entire year were Rs. 1,600 lakhs, of which sales until July 31, 2021, were for Rs. 400 lakhs. 25% was the gross profit ratio. The following costs were incurred from 1 April 2021 to 31 March 2022:

Particulars	Amt (in Lakhs)	Particulars	Amt (in Lakhs)
Rent, Rates and Insurance	24	Bad debts	4
Salary	69	Depreciation on tangible assets	12
Sundry office expenses	66	Debenture interest	11
Discount provided	12	Tax audit fee	9
Travel allowance	16	Director's fee	25

Create a statement that details how profits were calculated for both the pre- and post-corporation periods.

20. Discuss Interpretation of Financial Statements with special emphasis on AS 20 and EBIT–EPS analysis.
21. Draft the specimen format of a Banking Company's Profit and Loss a/c with schedules.

(3 × 10 = 30 Marks)