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PROGRAMME AND BRANCH: M.COM.

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
II	PART - III	CORE - 5	P23CO205	CORPORATE ACCOUNTING

Date : 14.11.2024 / AN

Time : 3 hours

Maximum: 75 Marks

Course Outcome	Bloom's K-level	Q. No.	SECTION - A (10 X 1 = 10 Marks) Answer <u>ALL</u> Questions.
CO1	K1	1.	Amount realized from sale of goods is shown in the statement of profit and loss as ____. a) Other income b) Revenue from operations c) Changes in inventories d) None of these
CO1	K2	2.	Securities premium is shown in the Balance sheet of a company under ____. a) Share capital b) Reserves and surplus c) Long term borrowings d) Short term borrowings
CO2	K1	3.	Reserve for unexpired risk of fire insurance should be ____ of net premium. a) 100% b) 50% c) 75% d) 10%
CO2	K2	4.	Preliminary expenses incurred by life insurance companies are treated as ____. a) Miscellaneous expenditure b) a deduction from paid up share capital c) a fixed assets d) an operating expenses.
CO3	K1	5.	Profits made by a subsidiary company after the date of purchase of shares by the holding company are known as ____. a) Revaluation profits b) Realisation profits c) Capital profits d) Revenue profits
CO3	K2	6.	A company in which more than 50% of shares are held by another company is termed as ____. a) Holding company b) Government company c) Subsidiary company d) Public company
CO4	K1	7.	Inflation Accounting is also known as ____. a) Accounting for price Level changes b) Decision Accounting c) Standard Accounting d) Historical Accounting
CO4	K2	8.	Under CPP method, assets are presented at ____. a) Historical costs adjusted for General Price level changes b) Replacement costs c) Current costs d) Net realizable value
CO5	K1	9.	Which AS gives computational methodology for determination and presentation of basic and diluted earnings per share? a) AS 10 b) AS 20 c) AS 5 d) AS 15
CO5	K2	10.	AS 19 deals with the accounting policies that apply to all forms of ____. a) Borrowing costs b) Earnings per share c) Leases d) Segment Reporting

Course Outcome	Bloom's K-level	Q. No.	SECTION – B (5 X 5 = 25 Marks) Answer ALL Questions choosing either (a) or (b)			
			Particulars	Rs.	Particulars	Rs.
CO1	K2	11a	Prepare a Balance sheet of Raman Ltd., as on 31.03.2020 as per revised clause VI, Part I of the Companies Act 2013.			
			Debtors	75,000	10% Debentures	20,000
CO1	K2	11b	Creditors	60,000	Land & Building	1,00,000
			Paid up share capital	1,00,000	Plant & Machinery	25,000
CO2	K2	12a	Goodwill	12,500	P & L a/c (Cr)	60,000
			Preliminary expenses	7,500	General reserve	40,000
CO2	K2	12b	Stock	20,000	Bank loan	20,000
			Investments	30,000	Bills receivables	25,000
CO3	K3	13a	Cash in hand	5,000	Bills payable	20,000
			Bank	7,500	Loans to managing director	12,500
(OR)						
			From the following particulars, determine the managerial remuneration available to a full time director of a manufacturing company. The profit and loss account of the company showed a net profit of Rs.40,00,000 after taking into account the following items.			
			Depreciation (including special depreciation Rs. 40,000) Rs. 1,00,000			
			Provision for income tax Rs. 2,00,000			
			Donation to political parties Rs. 50,000			
			Ex – gratia payment to a worker Rs. 10,000			
			Capital profit on sale of assets Rs. 15,000			
(OR)						
			A life insurance company prepared its revenue account for the year ended 31.03.2016 and ascertain its life assurance fund to be Rs 28,35,000. It was found later that the following had been omitted from the accounts.			
			i. Interest accrued on investments Rs 39,000. Income tax liable to be deducted thereon is estimated to be Rs 10,500.			
			ii. Outstanding premium Rs 32,800.			
			iii. Bonus utilized for reduction of premium Rs 6,750.			
			iv. Claims intimated but not admitted Rs 17,400.			
			v. Claims covered under reinsurance Rs 6,500.			
			Calculate the true life assurance fund.			
(OR)						
			A life insurance company get its valuation made once in every two years. Its life assurance fund amounted to Rs 40,00,000 before providing Rs 40,000 for the shareholders dividend for the year. Its actuarial valuation disclosed a net liability of Rs 38,00,000 and an interim bonus of Rs 50,000 was paid to the policy holders. Prepare a statement showing the amount available as bonus to policy holders.			
			H Ltd. acquired 3,000 equity shares in S Ltd. on 1 st April 2020. On 31 st December 2020 the balance Sheet of S Ltd. was as follows:			
			Liabilities	Rs.	Assets	Rs.
			Share capital:		Sundry assets	6,40,000
			4,000 equity shares of Rs. 100 each	4,00,000		
			General reserve on 1.1.20	80,000		
			Profit & Loss A/C			
			Balance on 1.1.20	20,000		
			Profit for 2020	80,000	1,00,000	
			Sundry creditors		60,000	
				6,40,000		6,40,000
			Compute Minority interest.			
(OR)						

CO3	K3	13b	X Ltd purchased 60% shares of Y Ltd on 01.01.2012 when the balance sheet of their P & L a/c and general reserve were Rs.1,50,000 and Rs.1,60,000 respectively. On 31.12.2012, the balance sheet of Y Ltd, showed P & L a/c balance of Rs.4,00,000 and general reserve of Rs.3,00,000. Calculate capital profit and revenue profit.
CO4	K3	14a	What do you understand by Social Responsibility Accounting? Explain its objectives. (OR)
CO4	K3	14b	State the objectives of Human Resource Accounting.
CO5	K4	15a	Explain the procedure for calculation of basic and diluted earnings per share. (OR)
CO5	K4	15b.	Explain the different types of leases.

Course Outcome	Bloom's K-level	Q. No	SECTION - C (5 X 8 = 40 Marks) Answer ALL Questions choosing either (a) or (b)			
CO1	K4	16a.	The following Trial balance of Nallis Ltd. As at 31 th December.2018 is given to you.			
			Debits	Rs.	Credits	Rs.
			Stock (01.01.2018)	80,000	8,000 equity shares of	
			Bank	17,600	Rs.100 each, Rs.75	6,00,000
			Patents	60,000	paid	2,00,000
			Calls in arrears	20,000	6% debentures	1,00,000
			Returns inwards	30,000	Sundry creditors	80,000
			Purchases	7,72,000	General reserve	10,00,000
			Wages	1,08,000	Sales	20,000
			Insurance prepaid	400	Return outward	12,000
			Bills receivable	30,000	P & L A/c (Cr)	
			Sundry debtors	80,000		
			Discount on issue of debentures	10,000		
			Plant & Machinery	4,00,000		
			Land & buildings	3,00,000		
			Insurance	4,000		
			General expenses	40,000		
			Establishments expenses	60,000		
				20,12,000		20,12,000
			Additional information:			
			i. The value of stock on 31 st December 2018 was Rs.74,000			
			ii. Outstanding wages totalled Rs.10,000			
			iii. A provision 5% is to be created on sundry debtors for doubtful debts.			
			iv. Depreciate patents @ 10% and plant & Machinery @ 7½% and on land and Land & Buildings @ 4%			
			You are required to prepare statement of Profit & loss for the year ended 31.12.2018 and Balance Sheet as on that date. (OR)			
CO1	K4	16b.	The following balances are extracted from the book of Chandra Ltd. for the year ended march 31 st 2010.			
			Particulars	Rs.	Particulars	Rs.
			Buildings	6,00,000	Sundry creditors	3,50,000
			Furniture	60,000	Profit and Loss A/c (Cr)	20,000
			Motor vehicles	60,000	Gross profit	10,00,000
			Equity share of		Dividend received on	

			<table border="1"> <tbody> <tr> <td>companies</td> <td>4,00,000</td> <td>investments</td> <td>10,000</td> </tr> <tr> <td>Stock in trade</td> <td>4,00,000</td> <td>Salaries and wages</td> <td>2,20,000</td> </tr> <tr> <td>Sundry debtors</td> <td>2,80,000</td> <td>Directors. Fees</td> <td>8,000</td> </tr> <tr> <td>Cash at bank</td> <td>1,72,000</td> <td>Electricity charges</td> <td>25,000</td> </tr> <tr> <td>Advances against construction of building</td> <td></td> <td>Rates, taxes and insurances</td> <td>10,000</td> </tr> <tr> <td>Share capital – 10,000</td> <td>1,30,000</td> <td>Auditor’s fees</td> <td>15,000</td> </tr> <tr> <td>Equity shares of Rs.100 each</td> <td>10,00,000</td> <td></td> <td></td> </tr> </tbody> </table> <p>Prepare statement of Profit & loss account of the company for the year ended 31.03.2010 and Balance Sheet as on that date. After the following adjustments:</p> <ol style="list-style-type: none"> Provide 10% depreciation per annum on fixed assets. Stock has been revalued as Rs.3,60,000. This has not yet been considered. Debts more than 6 months are Rs.80,000. Ignored provision for tax. 	companies	4,00,000	investments	10,000	Stock in trade	4,00,000	Salaries and wages	2,20,000	Sundry debtors	2,80,000	Directors. Fees	8,000	Cash at bank	1,72,000	Electricity charges	25,000	Advances against construction of building		Rates, taxes and insurances	10,000	Share capital – 10,000	1,30,000	Auditor’s fees	15,000	Equity shares of Rs.100 each	10,00,000																		
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CO2	K5	17a.	<p>Prepare revenue account of universal life assurance company ltd from the following balance was extracted from its books as on 31st march 2015:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Rs(‘000)</th> </tr> </thead> <tbody> <tr> <td>Life assurance fund on 1.4.2014</td> <td>7,50,000</td> </tr> <tr> <td>Premium on direct business</td> <td>4,80,000</td> </tr> <tr> <td>Reinsurance premium</td> <td>55,000</td> </tr> <tr> <td>Consideration for annuities granted</td> <td>68,000</td> </tr> <tr> <td>Annuities paid</td> <td>17,500</td> </tr> <tr> <td>Dividends paid</td> <td>15,000</td> </tr> <tr> <td>Claims paid</td> <td>1,90,000</td> </tr> <tr> <td>Reinsurance recoveries</td> <td>30,000</td> </tr> <tr> <td>Claims outstanding on 1.4.2014</td> <td>12,000</td> </tr> <tr> <td>Commission paid</td> <td>26,000</td> </tr> <tr> <td>Commission on reinsurance accepted</td> <td>9,000</td> </tr> <tr> <td>Commission on reinsurance ceded</td> <td>10,000</td> </tr> <tr> <td>Surrenders</td> <td>20,000</td> </tr> <tr> <td>Loss on sale of investments</td> <td>6,500</td> </tr> <tr> <td>Management expenses</td> <td>45,000</td> </tr> <tr> <td>Legal expenses for settlement of claims</td> <td>10,000</td> </tr> <tr> <td>Interest from investments – net</td> <td>18,000</td> </tr> <tr> <td>TDS on income from investments</td> <td>2,000</td> </tr> <tr> <td>Rents, rates and taxes</td> <td>12,000</td> </tr> <tr> <td>Printing and stationery</td> <td>8,500</td> </tr> <tr> <td>Depreciation</td> <td>13,000</td> </tr> </tbody> </table> <p>Additional information as on 31.3.2015:</p> <ol style="list-style-type: none"> Claims outstanding Rs.15,000 Management expenses due Rs.11,000 Premiums outstanding Rs.16,000 Interest accrued on investments Rs.4,500 <p style="text-align: center;">(OR)</p>	Particulars	Rs(‘000)	Life assurance fund on 1.4.2014	7,50,000	Premium on direct business	4,80,000	Reinsurance premium	55,000	Consideration for annuities granted	68,000	Annuities paid	17,500	Dividends paid	15,000	Claims paid	1,90,000	Reinsurance recoveries	30,000	Claims outstanding on 1.4.2014	12,000	Commission paid	26,000	Commission on reinsurance accepted	9,000	Commission on reinsurance ceded	10,000	Surrenders	20,000	Loss on sale of investments	6,500	Management expenses	45,000	Legal expenses for settlement of claims	10,000	Interest from investments – net	18,000	TDS on income from investments	2,000	Rents, rates and taxes	12,000	Printing and stationery	8,500	Depreciation	13,000
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CO2	K5	17b.	<p>Prepare fire revenue account in respect of fire insurance business of alliance general insurance company ltd from the following details for the year ending 31st march, 2016.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Rs</th> </tr> </thead> <tbody> <tr> <td>Reserve for unexpired risk on 1.4.2015</td> <td>2,15,000</td> </tr> <tr> <td>Additional reserve</td> <td>50,000</td> </tr> <tr> <td>Liability for claims intimated on 1.4.2015</td> <td>33,000</td> </tr> <tr> <td>Liability for claims intimated on 31.3.2016</td> <td>40,000</td> </tr> <tr> <td>Claims paid</td> <td>3,75,000</td> </tr> <tr> <td>Legal expenses related to claims</td> <td>7,500</td> </tr> <tr> <td>Reinsurance recoveries</td> <td>35,000</td> </tr> </tbody> </table>	Particulars	Rs	Reserve for unexpired risk on 1.4.2015	2,15,000	Additional reserve	50,000	Liability for claims intimated on 1.4.2015	33,000	Liability for claims intimated on 31.3.2016	40,000	Claims paid	3,75,000	Legal expenses related to claims	7,500	Reinsurance recoveries	35,000																												
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			Medical expenses	5,000
			Premium received	6,00,000
			Premium on reinsurance accepted	50,000
			Premium on reinsurance ceded	40,000
			Commission on direct business	55,000
			Commission on reinsurance accepted	3,000
			Commission on reinsurance ceded	4,000
			Management expenses	75,000
			Directors fees	20,000
			Bonus paid	12,500
			Create reserve for unexpired risk at 50% of net premium	

CO3 K5 18a. From the balance sheets of H Ltd and its subsidiary S Ltd as on 31st march 2020, prepare a consolidated balance sheet:

Liabilities	H Ltd Rs	S Ltd Rs	Assets	H Ltd Rs	S Ltd Rs
Share capital (shares of Rs.10 each)	6,00,000	2,00,000	Land and building	4,50,000	2,00,000
Reserves	2,50,000	75,000	Stock	1,00,000	40,000
Profit and loss a/c	80,000	50,000	Debtors	1,80,000	60,000
Bills payable	-	20,000	Bills receivable	40,000	35,000
Creditors	1,00,000	50,000	Cash and bank	20,000	60,000
			Investment 15000		
			shares in S Ltd	2,40,000	-
	10,30,000	3,95,000		10,30,000	3,95,000

Additional Information:

- H ltd purchased the shares in S ltd on 1st april 2019 on which date reserves of S ltd stood at Rs.50,000 and profit and loss account of S ltd had a balance of Rs.10,000
- All the bills payable of S ltd were issued in favour of H ltd
- S ltd also owes Rs.25,000 to H ltd which is included in its creditors.

(OR)

CO3 K5 18b. The balance sheets of H ltd and its subsidiary S ltd on 31st march 2016 are as follows:

Liabilities	H Ltd Rs	S Ltd Rs	Assets	H Ltd Rs	S Ltd Rs
Share capital (shares of Rs.10 each)	8,00,000	5,00,000	Plant and machinery	5,00,000	4,00,000
General Reserves on 1.4.2015	1,60,000	80,000	Land and building	3,00,000	2,50,000
Profit and loss a/c	1,50,000	1,00,000	Investment 30000		
Bills payable	65,000	65,000	shares in S Ltd	3,25,000	-
Creditors	1,50,000	1,50,000	Bills receivable	60,000	60,000
			Debtors	70,000	90,000
			Stock	30,000	80,000
			Cash and bank	40,000	15,000
	13,25,000	8,95,000		13,25,000	8,95,000

- H ltd acquired S ltd shares on 1st oct 2015.
- Bills receivable held by S ltd are all accepted by H ltd

			<p>3. Included in the debtors of S ltd is a sum of Rs.40,000 owing by H ltd for goods supplied by S ltd.</p> <p>4. On 1.4.2015 profit and loss account of S ltd showed a credit balance of Rs.20,000</p> <p>You are required to prepare a consolidated balance sheet as on 31st march 2016.</p>															
CO4	K5	19a.	<p>The following information is given to you regarding X Ltd., for the financial year ended 31.03.2021.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">01.04.2020</th> <th style="width: 20%; text-align: center;">31.03.2021</th> </tr> <tr> <th></th> <th style="text-align: center;">Rs.</th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Monetary Assets</td> <td style="text-align: right;">80,000</td> <td style="text-align: right;">80,000</td> </tr> <tr> <td>Monetary Liabilities</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Retail price Index</td> <td style="text-align: right;">200</td> <td style="text-align: right;">300</td> </tr> </tbody> </table> <p style="text-align: center;">Ascertain gain or loss on monetary items.</p> <p style="text-align: center;">(OR)</p>		01.04.2020	31.03.2021		Rs.	Rs.	Monetary Assets	80,000	80,000	Monetary Liabilities	1,00,000	1,00,000	Retail price Index	200	300
	01.04.2020	31.03.2021																
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CO4	K5	19b.	Explain the advantages and disadvantages of Human Resource Accounting.															
CO5	K6	20a.	Describe the characteristics of Financial reporting.															
			(OR)															
CO5	K6	20b.	Illustrate the features of Corporate Social Responsibility.															