(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2024 ONLY)

24UBP306

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : NOVEMBER-2025

BCOM BPS — MAXIMUM MARKS: 75

SEMESTER-III — TIME : 3 HOURS

PART - III

24UBP306– CORPORATE ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. Premium received on issue of shares account is shown on______________
   A. Assets side of the Balance sheet B. Liabilities side of the Balance sheet
   C. Credit side of P&L A/c D. Credit side of P&L A/c
2. The premium on redemption of preference shares can be provided out of __________
   A. Securities Premium B. Insurance fund
   C. Forfeited shares account D. Depreciation reserve
3. Securities premium is shown in the balance sheet of a company under__________
   A. Share Capital B. Reserves and surplus
   C. Long term borrowings D. Current liabilities
4. The percentage of profit to be transferred to statements reserve by the banking company is________
   A. 25% B. 15%
   C. 20% D. 10%
5. Claims paid by life insurance companies are shown in____________
   A. Schedule 1 B. Schedule 2
   C. Schedule 3 D. Schedule 4

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES (K2)

6. Illustrate the over subscription.
7. Define debenture.
8. Indicate any two items that appear under finance cost.
9. Interpret the rebate on bills discounted.
10. Define re insurance.

(CONT…2)

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SECTION – B (5 X 5 = 25 MARKS)
ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K3)

11. a) Balan Co. Ltd , issued 50,000 equity shares of Rs.10 each to the public condition that full amount of shares will be paid in a lump his All these shares were taken up and paid by the public. show journal entries in the books of the company when
1. Shares are issued at par
2. Shares are issued at premium of 10% and 3. Shares are issued at a discount of 10%.

(OR)

b)Mr. Ram is a shareholder in Kiran holding 2,000 shares of Rs. 10 each. He has paid Rs. 2 and Rs. 3 per share on application and allotment respectively, but failed to pay Rs.3 and Rs.2 per share for first and second calls respectively. Director forfeited his shares. Give journal entries for forfeiture

12. a) The following is extracted from the balance sheet of G Co. Ltd as on 31st December 2024.
Share capital:
2,00,000 Equity shares of Rs. 10 each Rs.20,00,000
3,00,000 6% redeemable preference shares of Rs. 10 each Rs. 30,00,000
Capital Reserve Rs.15,00,000
General Reserve Rs. 9,00,000
Profit and Loss A/c Rs. 25,50,000
The company exercises its option to redeem the preference shares on 1st January 2025.
Show journal entries to record the redemption.

(OR)

b)Describe the various types of debentures. Explain them in detail.

13. a)Find out the managerial remuneration payable to the part time director and the manager of a company from the following information. Before charging such commission the profit and loss account showed a credit balance of Rs.23,05,000 for the year ended 31.3.2018 after taking into account the following:
Rs. (i) Profit on sale of investments Rs. 2,05,000
(ii) Subsidy received from government Rs. 4,10,000
(iii) Loss on sale of fixed asset Rs. 65,000
(iv) Ex-gratia to an employee Rs. 30,000
(v) Compensation paid to injured workmen Rs. 75,000
(vi) Provision for taxation Rs. 2,79,000 (vii) Bonus to foreign technicians Rs. 3,12,000
(viii) Multiple shift allowance Rs. 1,00,000 (ix) Special depreciation Rs. 75,000
(x) Capital expenditure Rs.5,10,000. Company is providing depreciation as per section 350 of the companies Act.

(OR)

b)Sketch the format of statement of profit and loss as per Revised schedule VI.

14. a)On 31st March 2024, B Commercial Bank Ltd, finds its advances classified as follows:
Standard assets Rs. 14,91,300
Sub-standard assets Rs. 92,800
Doubtful assets (Secured):
Doubtful for one year Rs.25,660
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.

(OR)

(CONT…3)

b) On 31st March, 2023 a bank held the following bills discounted by it earlier:

Date of 2023	Term of bill(Months)	Discounted @% p.a	Amount of bill (Rs.)
January ,17	4	17	7,30,000
February,7	3	18	14,60,000
March, 9	3	17.5	3,64,000

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

15. a)The revenue account of a Life Insurance Company showed the life fund at Rs. 73,17,000 on 31.03.2024 before taking into account the following.

Claim intimated but not admitted Rs. 98,250
Bonus utilized in reduction of premium Rs.13,500
Interest accrued on investments Rs. 29,750
Outstanding premium Rs.27,000
Claims covered under reinsurance Rs. 40,500
Provision for taxation Rs. 31,500
Find the true life assurance fund.

(OR)

b)Discover the differences between Life Insurance and General Insurance.

SECTION – C (5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4 (Or) K5)

16. a) X Ltd., issued 2,000 shares of Rs.100 each at a premium of 10% payable as under.

Rs. 25 on application;
Rs. 35 on allotment (including premium);
Rs. 20 on first call;
Rs. 30 on final call.

1,800 shares were applied for and allotted. All the money was received with an exception of First and final calls on 200 shares held by Raghu. These shares were forfeited. Show necessary journal entries and prepare balance sheet.

(OR)

b)X Ltd issued 40,000 shares of Rs.10 each at premium of Rs. 2 per share. The shares were payable as follows:

Rs. 2 on application
Rs.5 on allotment
Rs. 5 on first and final call.

All the shares were applied for and allotted. All moneys were received with the exception of the first and final call on 1,000 shares which were forfeited. 400 of these were reissued as fully paid at Rs.8 per share. Show necessary journal entries.

17. a) Examine the conditions regarding redemption of preference shares.

(OR)

b)Ram Ltd issued 1,000 8% debentures of Rs.100 each. Show journal entries in the books of the company, if the debenture were issued as follows:

1. Issued at par, redeemable at par,
2. Issued at a discount of 5% repayable at par
3. Issued at a premium of 10%, repayable at par
4. Issued at par, redeemable at a premium of 10%
5. Issued at a discount of 5%, repayable at a premium of 10%..

18. a)A Ltd was registered with an Authorized capital of Rs.6,00,000 in equity shares of Rs. 10 each. The following is its Trial balance on 31st March 2008.

Particulars	**Debit(Rs.)**	**Credit(Rs.)**
Goodwill	25,000	
Fund	750	
Bank	39,900	
Purchases	1,85,000	
Preliminary expenses	5,000	
Share capital		4,00,000
12% Debentures		3,00,000
P&L a/c (Cr)		26,250
Calls in arrear	7,500	
Premises	3,00,000	
Plant & machinery	3,30,000	
Interim dividend	39,250	
Sales		4,15,000
Stock	75,000	
Furniture & fixtures	7,200	
Sundry debtors	87,000	
Wages	84,865	
General expenses	6,835	
Freight charges	13,115	
Salaries	14,500	
Directors fees	5,725	
Bad debts	2,110	
Debentures interest paid	18,000	
Bills payable		37,000
Sundry creditors		40,000
General reserve		25,000
Provision for bad debts		3,500
Total	**12,46,750**	**12,46,750**

Prepare profit and loss a/c, P&L appropriation a/c & balance sheet after making the adjustments

1. Depreciate plant and machinery by 15%
2. write off preliminary expenses
3. Provide for 6 months interest on debentures.
4. Provision for bad & doubtful debts-@ 5%
5. Provide for income tax at 50%
6. stock at the end was Rs.95,000
7. Provide for corporate dividend tax@17%

(OR)

b)Big Bull Ltd. has a nominal capital of Rs.6,00,000 divided into shares of Rs.10 each. The Following Trial Balance is extracted from the books of the company as on 31.12.2022.

Particulars	Rs.	Particulars	Rs.
Calls in arrear	7,500	6% Debentures	3,00,000
Premises (Rs.60,000 added on 1.1.2022)	3,60,000	P&L. A/c(1.1.22)	14,500
Machinery	3,00,000	Creditors	50,000
Interim dividend paid	7,500	General reserve	25,000
Purchases	1,85,000	Share Capital (Called Up)	4,60,000
Preliminary Expense	5,000	Bills Payable	38,000
Freight	13,100	Sales	4,15,000
Director's Fees	5,740	Provision for Bad debts	3,500
Bad debts	2,110		
4% Government securities	60,000		
Stock(1.1.22)	75,000		
Furniture	7,200		
Sundry Debtors	87,000		
Goodwill	25,000		
Cash	750		
Bank	39,900		
Wages	84,800		
General Expenses	16,900		
Salaries	14,500		
Discount received	9,000		
Total	**13,06,000**		**13,06,000**

Prepare Final accounts of the company for the year ending 31.12.2022 in the prescribed form after taking into account the following adjustments:

(a) Depreciate machinery by 10% and furniture by 5%
(b) Write off Preliminary expenses
(c) Wages include Rs.10,000 paid for the construction of a compound wall to the premises and no adjustment was made.
(d) Provide 5% for bad debt on sundry debtors.
(e) Transfer Rs.10,000 to general reserve.
(f) Provide for income tax Rs.25,000
(g) Stock on 31.12.2022 was Rs.1,01,000.

19. a) From the following information prepare the profit and loss account of ABC Bank Ltd. F for the year ended on 31st March 2022 in the prescribed form.

Particulars	Rs.
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 bill discounted	1,95,000
Interest on cash credit	2,23,000
Interest on current account	42,000
Rent and taxes	18,000
Interest on overdraft	1,54,000

Directors fees	3,000
Auditors fees	1,200
Interest on savings bank deposits	68,000
Postage and telegrams	1,400
Printing and stationary	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 of Rs. 20,000 for the shareholders. **(OR)**

b) On 31st December 2016, the following balances stood in the books of Asian Bank Ltd. after preparation of its profit and loss account.

Particulars	**Rs.(in'000)**
Share capital: Issued and subscribed	4,000
Reserve fund	6,200
Savings bank deposit	42,600
Fixed deposits	19,000
Current accounts	23,200
Money at call and short notice	1,800
Investments	25,000
Profit and loss a/c (Cr) 1st Jan 2016	1,350
Dividend for 2015	400
Premises	2,950
Cash	380
Bank with RBI	10,000
Cash with other banks	6,000
Bills discounted and purchased	3,800
Loans, cash credits and over drafts	51,000
Bills payable	70
Unclaimed dividend	60
Rebate on bills discounted	50
Short loans	4,750
Furniture	1,164
Other assets	336
Net profit for the year 2016	1,550

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

20. a)The following balances are abstracted from the books of Bharat Life Insurance Co. Ltd as on 31.03.2023

	Rs.		**Rs.**
Life Assurance fund(1.4.2022)	15,00,000	Claims paid during the year	64,900
Premiums	4,96,000	Annuities	2,050
Consideration for annuities granted	15,000	Bonus in reduction of premiums	1,600
Interest & Dividends	1,00,000	Medical fees	2,400
Fines for revival policies	750	Surrenders	4,000
Reinsurance Premium	20,750	Commission	18,650
Claims outstanding (1.4.2022)	4,500	Management Expenses	22,000
		Income tax on dividends	8,500

Prepare revenue account after making the following adjustments.

1. Outstanding balances: Claims Rs. 14,000, Premiums Rs. 4,600
2. Further bonus for premium Rs. 2,400
3. Claim under reinsurance Rs. 8,000

(OR)

b) From the following particulars relating to X Insurance Co. Ltd., prepare fire Revenue A/c for the year ending 31.03.2015

	Rs.In ‘000		**Rs. In ‘000**
Claim paid	4,80,000	Premium received	12,00,000
Claims outstanding on 1.04.2014	40,000	Reinsurance premium paid	1,20,000
Claims intimated but not accepted &paid 0n 31.03.2015	10,000	Commission	2,00,000
Claims intimated accepted but not paid 0n 31.03.2015	60,000	Commission on reinsurance ceded	10,000
Commission on reinsurance accepted	5,000	Provision for unexpired risk on 01.04.2014	4,00,000
Expenses of Management	3,05,000	Additional provision for unexpired risk on 01.04.2014	20,000
Bonus in reduction of premium	12,000		

You are required to provide for additional reserve for unexpired risk at 1% of the net premium in addition to the opening balance.

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