

**D 51190**

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**THIRD SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2018**

(CUCBCSS—UG)

**BCM 3B 04—CORPORATE ACCOUNTING**

(Common for B.Com. Vocational)

[2017 Admissions]

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.  
Each question carries 1 mark.*

(A) Choose the correct answer :

1 Reserve for unexpired risk is shown under :

- |                           |                              |
|---------------------------|------------------------------|
| (a) Reserves and surplus. | (b) Current Liabilities.     |
| (c) Provisions.           | (d) Profit and Loss Account. |

2 Profit available for dividend excludes :

- |                              |                                    |
|------------------------------|------------------------------------|
| (a) Reserves and surplus.    | (b) Dividend Equalization reserve. |
| (c) Profit and Loss Account. | (d) Shares forfeited account.      |

3 Interest on debenture is a \_\_\_\_\_.

- |                           |                              |
|---------------------------|------------------------------|
| (a) Charge on profit.     | (b) Appropriation of profit. |
| (c) Adjustment on Profit. | (d) None of these.           |

4 The accounting concept that is principally used to classify leases into operating and finance is :

- |                          |                   |
|--------------------------|-------------------|
| (a) Substance over form. | (b) Prudence.     |
| (c) Neutrality.          | (d) Completeness. |

5 Under Ind AS 103, assets and liabilities are recorded at :

- |                      |                    |
|----------------------|--------------------|
| (a) Fair value.      | (b) Cost price.    |
| (c) Intrinsic value. | (d) None of these. |

(B) Fill in the blanks :

6 The percentage of provision required on unsecured doubtful asset is \_\_\_\_\_.

7 General Insurance is a contract of \_\_\_\_\_.

**Turn over**

- 8 Preference Shares cannot be redeemed unless they are \_\_\_\_\_.
- 9 Profit on sale of sinking fund investment account is credited to \_\_\_\_\_ account.
- 10 Ind AS \_\_\_\_\_ deals with share based payments.

(10 × 1 = 10 marks)

**Part B**

*Answer any eight questions.  
Each question carries 2 marks.*

- 11 Define Lease.
- 12 What is vesting period ?
- 13 Write a short note on 'escrow account'.
- 14 What is right issue ?
- 15 What is valuation balance sheet ?
- 16 What is NPA ?
- 17 What is stock split ?
- 18 What do you mean by cum interest quotation ?
- 19 What is NCI ?
- 20 What do you mean by money at call and short notice ?

(8 × 2 = 16 marks)

**Part C (Short Essay Questions)**

*Answer any six questions.  
Each question carries 4 marks.*

- 21 Give list of reserves which are not available for issue of bonus shares ?
- 22 What are the different methods of Redemption of preference shares ?
- 23 Give a proforma of schedule 9 advances of a banking company.
- 24 Explain the procedure for ascertaining profit or loss of insurance company.
- 25 From journalize the following transactions at the time of issue and redemption of debentures :
- (a) A debentures issued at ₹ 95, repayable at ₹ 100.
- (b) A debentures issued at ₹ 95, repayable at ₹ 105.
- (c) A debentures issued at ₹ 100, repayable at ₹ 105.

26. From the following information compute the amount of provision to be made in Profit and Loss account of a Commercial bank :

|                             | ₹ in lakhs |
|-----------------------------|------------|
| Standard assets             | ... 10,000 |
| Sub - standard Assets       | ... 6,400  |
| Doubtful Assets (Secured) : |            |
| For 1 year                  | ... 3,200  |
| For 2 year                  | ... 1,800  |
| For 3 year                  | ... 900    |
| More than 3 years           | ... 1,100  |
| Loss assets                 | ... 3,000  |

27. A company has its share capital divided into shares of ₹ 10 each. On 1-4-2012, it granted 5000 employees stock option at ₹ 50, when the market price was ₹ 140. The options were to be exercised between 1-3-2013 to 31-03-2013. The employees exercised their options for 4,800 shares only ; remaining options lapsed. Pass the necessary journal entries in the books of the company.
28. On 1 January 2017, A Ltd. purchased a fixed asset for cash of ₹ 5,00,000 and received a grant of ₹ 2,00,000 towards the cost of the asset. A Ltd. decided to treat the grant as deferred income. The asset has a useful life of five years. Pass Journal Entries.

(6 × 4 = 24 marks)

**Part D (Essay Questions)**

*Answer any two questions.  
Each question carries 15 marks.*

29. Prepare the fire insurance revenue account as per IRDA regulations for the year ended 31/03/2011 from the following information :

|  | Rs.           |
|--|---------------|
| Claims paid                                    | ... 4,90,000  |
| Legal expenses regarding claims                | ... 10,000    |
| Premiums received                              | ... 13,00,000 |
| Re - insurance premium paid                    | ... 1,00,000  |
| Commission                                     | ... 3,00,000  |
| Expenses of management                         | ... 2,00,000  |
| Provision against unexpired risk on 01/04/2010 | ... 5,50,000  |
| Claims unpaid on 01/04/2010                    | ... 50,000    |
| Claims unpaid on 31/03/2011                    | ... 80,000    |

**Turn over**

30. From the following information prepare Profit and Loss account of Z bank for the year ended 31-03-2016 :

|                                     |     | Rs.   |                               |     | Rs.       |
|-------------------------------------|-----|-------|-------------------------------|-----|-----------|
|                                     |     |       |                               |     | ₹ In '000 |
| Interest on loans                   | ... | 2,590 | Interest on overdrafts        | ... | 1,540     |
| Interest on fixed deposits          | ... | 3,170 | Directors fees and allowances | ... | 30        |
| Rebate on bills discounted          | ... | 490   | Auditors fees                 | ..  | 12        |
| Commission                          | ... | 82    | Interest on Savings bank      |     |           |
| Payment to employees                | ... | 540   | deposits                      | ... | 680       |
| Discount on bill discounted (Gross) | ... | 1,550 | Postage and telegrams         | ... | 14        |
| Interest on cash credits            | ... | 2,230 | Printing and stationery       | ... | 29        |
| Rent and rates                      | ... | 180   | Sundry charges                | ... | 17        |

Additional information :

- (a) Provide for contingencies ₹ 2,00,000.
  - (b) Transfer ₹ 15, 57,000 to reserve fund.
  - (c) Transfer ₹ 2,00,000 to Central Government.
31. What do you mean by Bonus Issue ? Explain the advantages and disadvantages of bonus issue.  
(2 × 15 = 30 marks)