

**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.
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)

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