

BACHELOR OF COMMERCE (CBCS - 2018 COURSE)

T. Y. B. Com. Sem-V : WINTER :- 2021

SUBJECT: CORPORATE ACCOUNTING-III

Day : Wednesday
Date 19-01-2022

W-18172-2021

Time : 02:00 PM-05:00 PM
Max. Marks: 60

N.B.

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non-programmable calculator is allowed.

Q.1 What do you mean by Single Entry System? Enumerate its disadvantages. **(12)**

OR

What are Accounting Standards? Discuss Accounting Standard '19' in brief.

Q.2 The following figures are extracted from the books of KLM Bank Ltd. as on 31/3/2018. **(12)**

| Particulars | ₹ |
|------------------------------------|-----------|
| Interest and discount received | 38,00,160 |
| Interest paid on deposits | 22,95,360 |
| Issued and subscribed capital | 10,00,000 |
| Salaries and allowances | 2,50,00 |
| Directors fees and allowance | 35,000 |
| Rent and taxes paid | 1,00,000 |
| Postages and telegrams | 65,340 |
| Statutory Reserve Fund | 8,00,000 |
| Commission, Exchange and Brokerage | 1,90,000 |
| Rent Received | 72,000 |
| Profit on sale of investments | 2,25,800 |
| Depreciation on Assets | 40,000 |
| Statutory Expenses | 38,000 |
| Preliminary Expenses | 30,000 |
| Auditors fees | 12,000 |

The following further information is given:

- 1) A customer to whom a sum of ₹ 10 Lakhs was advanced has become insolvent and it is expected that only 55% can be recovered from his estate.
- 2) There was also other debt for which a provision of 2,00,000 was found necessary.
- 3) Rebate on bills discounted on 31/3/2017 was ₹ 15,000 and on 31/3/2018 was ₹ 20,000.
- 4) Income tax of ₹ 2,00,000 is to be paid.
- 5) Write off preliminary expenses.
- 6) The director desire to declare 5% dividend.

Prepare the profit and loss account of KLM Bank Ltd. for the year ended 31/3/2018 and also show how the profit and loss account will appear in the Balance Sheet if the profit and Loss Account opening Balance was nil as on 31/3/2017.

OR

Q.2 What is the definition of Banking company? Also state the Statutory Reserves requirement under Banking Company.

P.T.O.

- Q.3** On 17th June 2018 a fire occurred in the premises of Mr. Bookworm, a bookseller. Most of the stock was destroyed the cost of the salvaged stock being ₹ 11,200. In addition, some stock was salvaged in damaged condition and its value was estimated at ₹ 10,400. The following particulars were available from the books of accounts. **(12)**
- 1) Stock at the close of accounts on 31st December 2017 was ₹ 83,500.
 - 2) Purchases from 1/1/2018 to 17/6/2018 amounted to ₹ 1,12,000 and sales during that period amounted to ₹ 1,54,000.
 - 3) On the basis of the past three years it appears that on an average the gross profit of 25% on sales. Stock was insured for ₹ 75,000. Compute the amount of claim.

OR

- Q.3** Explain Memorandum Trading Account and Average clause in insurance claims.

- Q.4** a) From the following information calculate Total Purchases: **(06)**

| Particulars | ₹ |
|----------------------------------|----------|
| Creditors January 1, 2018 | 30,000 |
| Creditors December 31, 2018 | 20,000 |
| Opening Balance of Bills Payable | 25,000 |
| Closing Balance of Bills Payable | 35,000 |
| Cash paid to creditors | 1,51,000 |
| Bill discharged | 44,500 |
| Cash purchased | 1,29,000 |
| Return outwards | 6,000 |

- b) From the following information provided by Mr. X, Calculate total sales. **(06)**

| Particulars | ₹ | Particulars | ₹ |
|-------------------------------|----------|--|--------|
| Capital in the beginning | 1,20,000 | Cash paid to suppliers | 30,000 |
| Cash in hand in the beginning | 40,000 | Return Inward | 8,700 |
| B/R in the beginning | 7,800 | B/R dishonoured | 1,800 |
| Debtors (opening) | 30,800 | B/R at the end of the year | 6,000 |
| Cash Received from Y as loan | 10,000 | Debtors at the end of the year | 25,500 |
| Cash Received from Debtors | 70,000 | Cash sales | 40,900 |
| B/R encashed during the year | 20,900 | Cash received from a customer whose account was closed last year on his insolvency | 500 |
| Bad Debts written off | 2,800 | | |
| Return outward | 10,000 | | |
| Credit purchases | 1,50,000 | | |

OR

- Q.4** Distinguish between Single Entry System and Double Entry System. **(12)**

- Q.5** Write short notes on any **THREE** of the following: **(12)**

- a) Total Creditors Account
- b) Accounting Standard 12
- c) Loss of fixed assets in insurance claim
- d) Cash and balance with RBI
- e) Advantages of Accounting Standards

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