

Roll No.

Total Pages : 8

BCM/M-20

12319

CORPORATE ACCOUNTING-II

Paper-BC-401

Time Allowed : 3 Hours]

[Maximum Marks : 80

Note : Attempt five questions in all, selecting at least one question from each Unit. Question No. 1 is compulsory. All questions carry equal marks.

Compulsory Question

1. Answer the following in short :

(a) Mention the precautions while calculating actual average profit. 4

(b) How will you calculate 'Estimated Future Earnings' for valuation of shares? 4

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- (c) What is a holding company? 4
- (d) Write a short note on contributories. 4
- (e) Write a short note on Re-insurance premiums 4

UNIT-I (bdkbZ

2. Discuss the methods which are used for goodwill valuation. Explain the capitalisation method with the help of suitable examples. 15

3. Following is the Balance sheet of X Ltd. as at 31st March, 2012 :

Particulars

I. Equity and Liabilities :

shareholder's funds :

Equity share capital (10,000 equity

shares of ` 100 each) 10,00,000

Reserves 2,50,000

Non current Liabilities :

10% debentures 10,00,000

Current Liabilities :

Other Liabilities 2,50,000

Total 25,00,000

II. Assets :

Non current Assets :

Land and building 12,00,000

Plant and machinery 5,00,000

Goodwill 2,00,000

Current Assets :

Inventories 3,50,000

Trade receivables 1,50,000

Cash at Bank 80,000

Current/Non-current assets

Miscellaneous expenses 20,000

Total 25,00,000

Market value of land and building is ` 14,00,000 and plant and machinery ` 3,20,000. Goodwill is valued at ` 3,00,000. All other assets are valued at their

book values. Average earnings of the company are ₹ 6,50,000 p.a. after interest on debentures but before tax which may be taken at 50%. Normal rate of return is similar companies is 10%. Ascertain the value of equity shares. 15

UNIT-II (bdkbZ)

4. How will you prepare a consolidated balance sheet in case of partly owned subsidiary. Explain with the help of a suitable example. 15

5. What is statement of affairs? When is it prepared? Give a specimen form of this statement and explain. 15

UNIT-III **(bdkbZ)**

6. From the following balances taken from the books of Dena Bank Ltd. You are required to draft as at March 31, 2014 (a) a Balance sheet and (b) a Profit and Loss A/c. 15

Share capital (Authorised and issued) -10,000 shares of Rs 100 each, Rs 50 paid	5,00,000
Reserve funds	3,50,000
Fixed deposit accounts	9,50,000
(Saving Bank account (30,00,000
Current accounts (80,00,000
Money at call and short notice (3,00,000

Investment at cost (30,00,000
Interest accrued and paid	2,00,000
Salaries (including salary of General Manager ` 24,000 and Directors' fees ` 5,000)	80,000
Rent (20,000
General expenses including stationary ` 5,000 and Auditor's fees ` 2,000	10,000
Profit and Loss account (cr.) on 1st April, 2013	2,10,000
Dividend paid (50,000
Premises (after depreciation of ` 1,00,000 upto 31st March, 2013)	12,00,000

Cash in hand (60,000
Cash with Reserve Bank	15,00,000
Cash with other banks	13,00,000
Borrowe from Banks (7,00,000
Interest and discounts (C;kt ,oa dVksrth)	5,00,000
Bills discounted and purchased	6,00,000
Bills payable	8,00,000
Loans, overdrafts and cash credits	70,00,000
Unclaimed dividends	30,000
(u	
Sundry creditors (30,000
Bills of collections	1,40,000
Acceptances and endorsements on	
behalf of customers	2,00,000
Rebate on bills discounted and purchased for unexpired term amounted to ` 5000. Allow 5% depreciation on premises on original cost. A provision	

for doubtful debts amounting to ₹ 30,000 is required. Create a provision of ₹ 1,00,000 for taxation. Bills of exchange rediscounted amounted to ₹ 24,000. The bank has no business outside India.

7. Explain the “Non performing assets” in banking company. 15

UNIT-IV **(bdkbZ)**

8. Give a performa of the revenue account of a General insurance company alongwith necessary schedules. 15

9. Discuss the order of payment adopted by a liquidator. Also discuss the methods of calculating the liquidator’s remuneration. 15