



II Year B.Com. Examination, June 2009
(1997 - 98 Scheme)

COMMERCE

Financial Accounting - II

Time : 3 Hours

Max. Marks : 100

Instruction : Answers should be completely either in **Kannada** or in **English**.

SECTION - A

I. Answer **any eight** sub-questions. Each sub-question carries **2** marks. (8×2=16)

- a) What is weighted ratio ?
- b) What is profit prior to incorporation ?
- c) Give four examples of Schedule 5 of Bank final accounts.
- d) Give the meaning of Non-Banking assets.
- e) Who are contributories ?
- f) Distinguish between absorption and internal reconstruction.
- g) What are super profits ?
- h) How do you discharge purchase consideration ?
- i) What is the maximum rate of commission payable to underwriter to underwrite shares and debentures of a company as per Law ?
- j) State the Methods of Valuing Shares.
- k) What is external reconstruction ?
- l) How do you close the balance of Capital reduction a/c ?



SECTION - B

Answer **any three** questions. **Each** question carries **8** marks.

(3×8=24)

2. 'X' Ltd issued 10,00,000 equity shares of Rs. 10 each. ABC and D underwrite the entire issue in the ratio of 4:3:2:1 respectively in Consideration of Commission allowed by Law. Applications were received for 9,00,000 Shares of which marked applications were as follows.

A - 4,40,000 Shares, B - 2,20,000 Shares, C - 1,80,000 Shares and
D - 20,000 Shares

You are required to find out

- The liability of each underwriter and
- Commission receivable by each underwriter.

3. Calculate sales Ratio from the following :

'X' Company was incorporated on 1-5-2005 and acquired a Business with effect from 1-1-2005. Total Sales from 1-1-2005 up to 31-12-05 was Rs. 12,00,000.

Sales for January and February $1\frac{1}{2}$ times the average monthly sales . Sales from March to July = $\frac{1}{2}$ of average monthly Sales. Sales for August and September $\frac{1}{4}$ of average monthly sales and sales from October to December = Double the average monthly sales.

4. From the following Particulars prepare the Profit and Loss A/c of Syndicate Bank Ltd. for 2004-05.

Rebate on Bills discounted	4,200
Interest on Loans	52,000
Interest on Fixed Deposits	36,500
Commission charged to customers	1,200



Office expenses	15,500
Discount on Bills Discounted	19,400
Interest on cash credits	22,400
Balance of Profit and Loss a/c	2,200
Rent and Taxes	1,800
Interest on overdrafts	12,800
Directors Remuneration	450
Interest on SB A/c	6,900
Postage and Telegrams	200
Printing and Stationery	390
Other Expenses	190

5. XYZ Ltd. went in to Liquidation on 31-12-2005. The assets realised was Stock Rs. 1,00,000, Plant Rs. 75,000, Cash Rs. 625, Liquidation Expenses 1,375, Creditors Rs. 90,000 (Rs. 8,000 are preferential) 6%, Debentures Rs. 80,000, Interest on debentures paid upto 30-4-2005. Remuneration at 3% on amounts realised (except cash) from assets and 2% on the amounts distributed to unsecured creditors excluding preferential creditors. Prepare Liquidators Final Statement of A/cs.

6. The Net profits of a company after providing for taxation for the past five years are Rs. 80,000, Rs. 84,000, Rs. 90,000, Rs. 92,000, Rs. 94,000. The Capital employed in the business is Rs. 8,00,000 on which a reasonable return of 10% is expected. It is expected that the company will be able to maintain its super profits for the next five years. Calculate the value of Goodwill at three years purchase of super profits.



SECTION - C

Answer **any four** questions. Each question carries **15** marks. (4×15=60)

7. Balance Sheet of 'X' Ltd. as on 31-12-05. From this prepare Liquidators Statement of A/cs.

Paid up Capital :

1000, 6% Preference

Shares of Rs. 100 each 1,00,000 Land and Buildings 2,00,000

2000 Equity Shares of Plant 2,20,000

Rs. 100 each fully paid 2,00,000 Stock 1,00,000

3000 Equity Shares of Debtors 1,00,000

Rs. 100 each Rs. 50 paid 1,50,000 Cash at Bank 30,000

6% Debentures 1,00,000 P&C a/c 1,00,000

Mortgage on Land

and Building 1,00,000

S. Creditors 90,000

Income Tax 10,000

7,50,000 **7,50,000**

The Company went in to Liquidation on 1-1-06. The preference dividend were in arrears for 3 years. The arrears are payable on liquidation. The assets realised as follows.

Land and Buildings Rs. 2,40,000

Plant and Machinery 1,80,000

Stock 70,000

Debtors 60,000

The expenses of Liquidation 8,000

The Liquidator is entitled to a Commission of 2% on all assets realised (except cash) and 3% on amount paid to unsecured creditors.



8. Following is the Trial Balance of Modern Bank as on 31-3-2005. Prepare Bank

Final A/c.

	Rs.		Rs.
Premises	16,80,000	Interest and Discount	20,00,000
Money at call	20,00,000	Share Capital	40,00,000
Furniture	2,00,000	Reserve Fund	20,00,000
Cash in hand	20,00,000	Fixed Deposits	60,00,000
Cash with RBI	24,00,000	Telegraphic Transfer	20,00,000
Investments	12,00,000	Travellers Cheques	24,00,000
Loans and Cash credits	89,88,000	Pension Fund	6,00,000
Interest on Deposits	12,00,000	Borrowings from Banks	4,00,000
Audit Fees	40,000	Unclaimed Dividend	2,40,000
Salaries	3,20,000	Rent	80,000
Directors Fees	20,000	Commission Received	3,20,000
Printing and stationery	20,000	P + L A/c	2,40,000
Depreciation	40,000	Bills payable	40,000
Non-Banking Assets	2,00,000		
Other Expenditure	12,000		
	2,03,20,000		2,03,20,000

Adjustments

- 1) Provide Rs. 20,000 for rebate on bills discounted.
- 2) Bills for collection amounted Rs. 12,00,000.
- 3) Provide Rs. 40,000 for bad debts.
- 4) Directors propose 2% dividend on Share capital.
- 5) Provided for income Tax Rs. 6,000.



9. The Balance Sheet of 'X' Ltd as on 31-3-05 was as follows.

Liabilities	Rs.	Assets	Rs.
4000 Shares of			
Rs. 100 each	4,00,000	Land and Buildings	2,20,000
General Reserve	80,000	Plant and Machinery	2,60,000
P+L a/c	64,000	Patents	40,000
S.Creditors	2,56,000	Stock	96,000
Income Tax Reserve	1,20,000	Debtors	1,76,000
		Bank	1,04,000
		Preliminary Exp.	24,000
	9,20,000		9,20,000

The expert Valuer valued Land and Buildings at Rs. 4,80,000. Good will at Rs. 3,20,000 and plant and Machinery at Rs. 2,40,000 out of the total Debtors it is found that debtors of Rs. 16,000 are bad. The Profits of the company for the three years ended on March 31st have been as follows.

2003	- Rs. 1,60,000
2004	- Rs. 1,80,000
2005	- Rs. 2,12,000

The Company follows the practice of transferring 25% of profits to general reserve. Similar type of companies earn at 10% of the value of their shares. Ascertain the value of shares of the Company under :

- 1) Intrinsic Value method.
- 2) Yield method and
- 3) Fair value method

10. Balance Sheet of 'X' Ltd. as at 31-12-05 was as follows.

Liabilities	Rs.	Assets	Rs.
4000 Preference			
Shares of Rs. 100 each	4,00,000	Goodwill	30,000
8000 Equity shares of		Freehold premises	4,00,000
Rs. 100 each	8,00,000	Plant	6,00,000
5% Mortgage debentures	2,00,000	Stock	1,00,000
Bank overdraft	1,00,000	Debtors	80,000
Creditors	2,00,000	Profits & Loss a/c	4,90,000
	17,00,000		17,00,000

The following Scheme was approved by the court for the Company.

- 1) Preference shares to be reduced to Rs. 75 per Share and the equity shares to 37.50.
- 2) Debenture holders to take over stock and book debts in full satisfaction of the amount due to them.
- 3) Good will to be eliminated.
- 4) Free hold premises to be depreciated by 50%.
- 5) Plant to be appreciated by Rs. 1,00,000.

Journalise and prepare the revised Balance Sheet.



11. 'X' Ltd is absorbed by 'Y' Ltd. The consideration being assumption of Liabilities . The discharge of the Debentures debt at a premium of 5% by the issue of 6% Debentures in 'Y' Ltd. and Payment of Cash of Rs. 30 per share and the issue of three Rs.10 Shares in 'Y' Ltd at an agreed Value of Rs. 15 per share for every share in 'X' Ltd.

Balance Sheet of 'X' Ltd.

	Rs.		Rs.
60,000 Shares of Rs. 50 each	30,00,000	Good will	2,50,000
5% Debentures	15,00,000	Buildings	7,65,000
Sundry Creditors	3,00,000	Machinery	22,00,000
General Reserve	3,70,000	Patents	50,000
Profit and Loss a/c	30,000	Stock	10,85,000
		Debtors	4,50,000
		Investments	50,000
		Cash	3,50,000
	52,00,000		52,00,000

Prepare the Realisation A/c Share holders A/c and 'Y' Ltd A/c in the books of 'X' Ltd.

12. 'X' Ltd and 'Y' Ltd agreed upon an amalgamation. The Balance Sheets of both the Companies were as follows.

Liabilities	'X' Ltd.	'Y' Ltd.	Assets.	'X' Ltd.	'Y' Ltd.
Issued Capital (Rs. 10 each)	60,000	48,000	Furniture	18,000	12,600
Reserve	-	3,000	Debtors	28,800	36,000
Profit and Loss A/c	-	7,200	Bank	36,720	24,480
Sundry Ceditors	25,800	14,880	P & L A/c	2,280	-
	85,800	73,080		85,800	73,080



The assets and liabilities of 'X' Ltd. are taken over at book values except Furniture which is to be written down by Rs. 6,120. 'Y' Ltd. Assets and Liabilities are to be taken over at book values except debtors which are to be considered worth Rs. 19,800. Purchase consideration is satisfied by Issuing 4,800 preference shares of Rs. 10 each and ordinary shares of Rs. 5 each. The allocation of the shares is equal except that the surplus capital of 'X' Ltd. is to be satisfied by preference shares.

Prepare Realisation Account, Purchasing Company Account and Share holders Account in the books of 'X' Ltd. Also give the Balance Sheet in the books of New Company.

ಕನ್ನಡ ಭಾಷಾಂತರ

ವಿಭಾಗ - ಎ

ಎಂಟು ಉಪ-ಪ್ರಶ್ನೆಗಳನ್ನು ಉತ್ತರಿಸಿ. ಪ್ರತಿಪ್ರಶ್ನೆಗೆ 2 ಅಂಕಗಳು. **(2×8=16)**

1. a) ತೂಕದ ಅನುಪಾತ ಎಂದರೇನು ?
- b) ಸಂಯೋಜನೆಗೆ ಮುಂಚಿನ ಲಾಭ ಎಂದರೇನು ?
- c) ಬ್ಯಾಂಕಿನ ಆಪ್ತರು ಖಾತೆಗಳ 5 ಷೆಡ್ಯೂಲ್‌ನ ನಾಲ್ಕು ಉದಾಹರಣೆಗಳನ್ನು ಕೊಡಿ.
- d) 'ಬ್ಯಾಂಕಿಗೆ ಸಂಬಂಧ ಪಡದ ಆಸ್ತಿ' ಗಳು ಎಂದರೇನು ?
- e) 'ಕೊಡುಗೆದಾರರು' ಎಂದರೆ ಯಾರು ?
- f) ವಿಲೀನ ಮತ್ತು ಆಂತರಿಕ ಪುನರ್ ನಿರ್ಮಾಣಗಳಿಗಿರುವ ವ್ಯತ್ಯಾಸವೇನು ?
- g) ಸರಾಸರಿಗೆ ಮೀರಿದ ಲಾಭ ಎಂದರೇನು ?
- h) ಖರೀದಿ ಬೆಲೆಯನ್ನು ಹೇಗೆ ನೀಡುವಿರಿ ?
- i) ಕಾನೂನಿನ ಪ್ರಕಾರ ಕೊಳ್ಳೆಯು ಶೇರು ಮತ್ತು ಸಾಲ ಪತ್ರಗಳ ಮೇಲೆ ತೆಗೆದುಕೊಳ್ಳಬಹುದಾದ ಕೊಳ್ಳೆಯ ದಳ್ಳಾಳಿ ಅತ್ಯಧಿಕ ಎಷ್ಟು ?
- j) ಶೇರುಗಳ ಬೆಲೆಯನ್ನು ಕಂಡುಹಿಡಿಯುವ ವಿಧಗಳು ಯಾವುವು ?
- k) ಬಾಹ್ಯ ಪುನರ್ ರಚನೆ ಎಂದರೇನು ?
- l) ಬಂಡವಾಳ ಖೋತ ಖಾತೆಯನ್ನು ಯಾವರೀತಿ ಮುಚ್ಚುವಿರಿ ?