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G. VENKATASWAMY NAIDU COLLEGE (AUTONOMOUS), KOVILPATTI – 628 502.



UG DEGREE END SEMESTER EXAMINATIONS - NOVEMBER 2024.

(For those admitted in June 2023 and later)

PROGRAMME AND BRANCH: B.COM., BUSINESS ANALYTICS

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
III	PART - III	CORE-5	U23BA305	CORPORATE ACCOUNTING-I

Date & Session: 09.11.2024 / AN

Time : 3 hours

Maximum: 75 Marks

Course Outcome	Bloom's K-level	Q. No.	SECTION - A (10 X 1 = 10 Marks) Answer <u>ALL</u> Questions.
CO1	K1	1.	Share application account is a _____. a) nominal a/c b) Real a/c c) Personal a/c d) Impersonal a/c
CO1	K2	2.	The amount in the securities premium can be used for _____. a) Distribution of dividend b) Writing of capital losses c) Transferring to general reserve d) Paying fees to directors
CO2	K1	3.	Amount can be transferred to capital redemption reserve from _____. a) Capital reserve b) Dividend equalization fund c) Development rebate reserve d) Securities premium a/c
CO2	K2	4.	Debenture issue is always made with a _____. a) Fixed percentage of interest b) Fixed percentage of dividend c) Fixed percentage of dividend and interest d) Fixed percentage of debenture amount
CO3	K1	5.	Dividend received by a financial company is shown in the statement of profit and loss as _____. a) Other income b) Revenue from operations c) Other expenses d) Issued capital
CO3	K2	6.	Raw material purchased is considered in the statement of profit and loss as _____. a) Cost of materials consumed b) Purchase of stock in trade c) Changes in inventories d) Finance costs
CO4	K1	7.	Capital employed represents the funds provided by _____. a) Creditors b) Debenture holders c) Shareholders d) Debtors
CO4	K2	8.	The average rate of return of similar firms industry is to be taken as _____. a) Normal rate of return b) Expected rate of return c) Average rate of return d) Investment rate of return
CO5	K1	9.	Which Indian Accounting Standard deals with the presentation of financial statements? a) Ind AS 7 b) Ind AS 1 c) Ind AS 2 d) Ind AS 10
CO5	K2	10.	Ind AS 16 deals with which of the following? a) Revenue from Contracts with Customers b) Leases c) Employee Benefits d) Property, Plant, and Equipment
Course Outcome	Bloom's K-level	Q. No.	SECTION - B (5 X 5 = 25 Marks) Answer <u>ALL</u> Questions choosing either (a) or (b)
CO1	K3	11a.	K ltd has authorized capital of Rs.25,00,000 divided into 1,00,000 equity shares of Rs.25 each. The company issued for subscription 25,000 shares at a premium of Rs.10 each. The entire issue was under written as follows: A 15,000 shares (firm underwriting 2500 shares) B 7500 shares (firm underwriting 1000 shares)

			<p>C 2500 shares (firm underwriting 500 shares). Out of the total issue 22,500 shares including firm underwriting were subscribed The following were the marked forms : A - 8000 shares B -5000 shares c- 2000 shares. Calculate the liability of each underwriter. (OR)</p>																										
CO1	K3	11b.	<p>A company authorised capital of Rs.30,00,000 invited applications for 2,00,000 shares of Rs.10 each at premium of Re.1. The shares are payable as follows On application Rs.3 On allotment Rs.4(including premium) On first and final call Rs.4 There was over-subscription and applications were received for 3,60,000 shares. Allotment shares was made as under To applicants of 1,50,000 shares – 1,50,000 shares To applicants of 25,000 shares – Nil To applicants of 1,85,000 shares – 50,000 shares Excess money paid on application was adjusted against sums due on allotment and first call. All moneys due were received. Pass journal entries .</p>																										
CO2	K3	12a.	<p>The following are the details from the records of B Ltd. on 30.6.2017 Equity Shares (Fully paid up) Rs 6,00,000 Preference shares (fully paid up) Rs 3,00,000 General reserve Rs 2,00,000 P/L account (credit balance) Rs 1,25,000 share premium a/c Rs 50,000 The company decided to redeem the preference shares at a premium of 10% out of its general reserve and p/l account. Give journal entries relating to redemption of preference shares. (OR)</p>																										
CO2	K3	12b.	Differentiate between debenture and share.																										
CO3	K4	13a.	<p>Discuss about the managerial remuneration eligible for different managerial personnel. (OR)</p>																										
CO3	K4	13b.	<p>From the following balances, prepare statement of profit and loss of A Co. Ltd. for the year ended 31.3.2023</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Opening Stock</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">2,10,000</td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">3,25,000</td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Discount Allowed</td> <td style="text-align: right;">5,200</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">19,500</td> </tr> <tr> <td>General Expenses</td> <td style="text-align: right;">9,950</td> </tr> <tr> <td>Printing</td> <td style="text-align: right;">3,400</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>Discount Received</td> <td style="text-align: right;">2,150</td> </tr> <tr> <td>Interest Received</td> <td style="text-align: right;">1,000</td> </tr> </tbody> </table> <p>Additional information Closing stock Rs.2,11,500 A tax provision of Rs. 6,000 is considered necessary An amount of Rs.1,500 is due on salary.</p>	Particulars	Rs.	Opening Stock	60,000	Purchases	2,10,000	Sales	3,25,000	Wages	60,000	Discount Allowed	5,200	Depreciation	5,000	Salaries	19,500	General Expenses	9,950	Printing	3,400	Rent	4,000	Discount Received	2,150	Interest Received	1,000
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CO4	K4	14a.	<p>A firm earned net profits during the last three years as follows I year Rs.54,000 II year Rs. 60,000 III year Rs.66,000 The capital investment of the firm is Rs.1,00,000 A fair return on the capital having regard to the risk involved is 25%. Calculate the value of goodwill on the basis of 3 years' purchase of super profit. (OR)</p>																										

CO4	K4	14b.	From the following information, calculate value per equity share. 2000, 9% preference shares of Rs. 2,00,000 50,000 equity shares of Rs.10 each of Rs. 8 paid up Rs. 4,00,000 Expected profit per year before tax Rs. 2,18,000 Rate of tax 50% Transfer to general reserve every year 20% of the profit Normal rate of earning 15%
CO5	K5	15a.	Explain accounting standards and its objectives. (OR)
CO5	K5	15b.	Discuss the principles related to the recognition, measurement, and amortization of intangible assets as per Ind AS 38

Course Outcome	Bloom's K-level	Q. No.	SECTION – C (5 X 8 = 40 Marks) Answer ALL Questions choosing either (a) or (b)																																																			
CO1	K3	16a.	S Ltd invited the public to subscribe 10,000 equity shares of Rs.100 each at a premium of Rs.10 per share. Payment was to be made as follows- on application Rs.20, on allotment Rs.40(including premium), on first call Rs. 30, on final call Rs. 20. Applications totaled for 13000 shares, applications for 2000 shares were rejected and allotment was made proportionately to the remaining applicants. The directors made both the calls and all the moneys were received except the final call on 300 shares which were forfeited. Later 200 of these forfeited shares were issued as fully paid at Rs.85 per share. Journalise these transactions. (OR)																																																			
CO1	K3	16b.	What is underwriting? Explain the different types of underwriting?																																																			
CO2	K4	17a.	A company has 8,000 redeemable preference shares of Rs.100 each fully paid. The company decides to redeem the shares on 30 th June 2008 at a premium of 7%. The company has sufficient profits but in order to augment liquid funds the following issues are made: a. 3,000, 6% Debentures of Rs.100 each at Rs.106 b. 2,000 Equity shares of Rs.100 each at Rs.111 The issues were fully subscribed and all the amounts were received. The redemption was duly carried out. Pass journal entries. (OR)																																																			
CO2	K4	17b.	Palani company has 5,00,000 12% Debentures of Rs.1000 each. On 1 st March 2018, it purchased 200 of its own debentures at Rs.960(ex-interest) as investment. On 31 st December 2016 it cancelled the 12% debentures with own debentures. Pass journal entries and show the relevant figures as on 31 st December 2016. Interest is payable on 30 th December every year.																																																			
CO3	K4	18a.	Following is the trial balance of J Ltd as on 31.3.2016 <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Stock (on 31.03.2015)</td> <td>15,000</td> <td></td> </tr> <tr> <td>Purchases and sales</td> <td>49,000</td> <td>70,000</td> </tr> <tr> <td>Wages</td> <td>10,000</td> <td></td> </tr> <tr> <td>Discounts</td> <td>1,400</td> <td>1,000</td> </tr> <tr> <td>Salaries</td> <td>1,500</td> <td></td> </tr> <tr> <td>Rent</td> <td>990</td> <td></td> </tr> <tr> <td>Insurance</td> <td>3,410</td> <td></td> </tr> <tr> <td>Profit and Loss (1.4.2016)</td> <td></td> <td>3,006</td> </tr> <tr> <td>Dividend paid</td> <td>1,800</td> <td></td> </tr> <tr> <td>Share capital</td> <td></td> <td>20,000</td> </tr> <tr> <td>Debtors and Creditors</td> <td>7,500</td> <td>3,500</td> </tr> <tr> <td>Machinery</td> <td>5,800</td> <td></td> </tr> <tr> <td>Cash at Bank</td> <td>3,240</td> <td></td> </tr> <tr> <td>Reserves</td> <td></td> <td>3,100</td> </tr> <tr> <td>Bad Debts</td> <td>966</td> <td></td> </tr> <tr> <td>Total</td> <td>1,00,606</td> <td>1,00,606</td> </tr> </tbody> </table>	Particulars	Debit	Credit	Stock (on 31.03.2015)	15,000		Purchases and sales	49,000	70,000	Wages	10,000		Discounts	1,400	1,000	Salaries	1,500		Rent	990		Insurance	3,410		Profit and Loss (1.4.2016)		3,006	Dividend paid	1,800		Share capital		20,000	Debtors and Creditors	7,500	3,500	Machinery	5,800		Cash at Bank	3,240		Reserves		3,100	Bad Debts	966		Total	1,00,606	1,00,606
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			<p>The following additional information is available</p> <p>a. Stock on 31st March 2016 is Rs.16,400</p> <p>b. Depreciate machinery at 10%</p> <p>c. Provide 5% discount on debtors</p> <p>d. Provide 2.5% discount on creditors</p> <p>e. 6 months insurance was inspired at Rs.75 p.a</p> <p>f. One month rent Rs.1,080 p.a was due on 31st March 2016.</p> <p>g. Provide managing director's commission, 15% on the net profits before deducting his commission.</p> <p>You are required to prepare statement of p/l account for the year ended 3.3.2016 and the Balance sheet on that date.</p> <p style="text-align: center;">(OR)</p>																														
CO3	K4	18b.	<p>From the following balances of RL Ltd, prepare balance sheet as on 31.3.2023</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Investments in shares at cost</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>Cash on hand</td> <td style="text-align: right;">1,20,000</td> </tr> <tr> <td>Bills receivable</td> <td style="text-align: right;">4,15,000</td> </tr> <tr> <td>Sundry Debtors</td> <td style="text-align: right;">5,01,000</td> </tr> <tr> <td>Sundry Creditors</td> <td style="text-align: right;">8,78,500</td> </tr> <tr> <td>Freehold property at cost</td> <td style="text-align: right;">48,65,000</td> </tr> <tr> <td>Furniture</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>6% preference share capital</td> <td style="text-align: right;">20,00,000</td> </tr> <tr> <td>Equity share capital</td> <td style="text-align: right;">20,00,000</td> </tr> <tr> <td>5 % Debentures</td> <td style="text-align: right;">15,00,000</td> </tr> <tr> <td>Surplus</td> <td style="text-align: right;">3,55,000</td> </tr> <tr> <td>Bank overdraft a/c</td> <td style="text-align: right;">15,00,000</td> </tr> <tr> <td>Closing Stock</td> <td style="text-align: right;">20,53,000</td> </tr> <tr> <td>Depreciation to fixed assets</td> <td style="text-align: right;">2,70,000</td> </tr> </tbody> </table>	Particulars	Rs.	Investments in shares at cost	5,00,000	Cash on hand	1,20,000	Bills receivable	4,15,000	Sundry Debtors	5,01,000	Sundry Creditors	8,78,500	Freehold property at cost	48,65,000	Furniture	50,000	6% preference share capital	20,00,000	Equity share capital	20,00,000	5 % Debentures	15,00,000	Surplus	3,55,000	Bank overdraft a/c	15,00,000	Closing Stock	20,53,000	Depreciation to fixed assets	2,70,000
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CO4	K5	19a.	<p>On 31.12.2002 the balance sheet of a company is given below</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Liabilities</th> <th style="text-align: center;">Rs.</th> <th style="text-align: left;">Assets</th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Equity share capital Issued capital Rs.10 each</td> <td style="text-align: right;">4,00,000</td> <td>Goodwill</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>Reserve</td> <td style="text-align: right;">90,000</td> <td>Fixed assets</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>P/l a/c</td> <td style="text-align: right;">20,000</td> <td>Current assets</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>5% Debentures</td> <td style="text-align: right;">1,00,000</td> <td></td> <td></td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">1,30,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">7,40,000</td> <td></td> <td style="text-align: right;">7,40,000</td> </tr> </tbody> </table> <p>On 31.12.2002 the fixed assets were valued at Rs.3,50,000 and the goodwill at Rs.50,000. The net profits for three years were 51600, 52000 and 62,000 of which 20% was transferred to reserve. The return on investment expected is 9%. Compute the value per equity shares under 1.Net asset method 2. Yield method.</p> <p style="text-align: center;">(OR)</p>	Liabilities	Rs.	Assets	Rs.	Equity share capital Issued capital Rs.10 each	4,00,000	Goodwill	40,000	Reserve	90,000	Fixed assets	5,00,000	P/l a/c	20,000	Current assets	2,00,000	5% Debentures	1,00,000			Current liabilities	1,30,000				7,40,000		7,40,000		
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CO5	K5	20a.	Write a note on Indian Accounting Standard -8.																														
CO5	K5	20b.	<p style="text-align: center;">(OR)</p> <p>Explain the valuation of inventories according to Indian Accounting Standard -2.</p>																														