

Reg. No.

--	--	--	--	--	--	--	--	--	--

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., PROFESSIONAL ACCOUNTING,

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
III	PART-III	CORE-5	U23PA305	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 a/c is a. a) Nominal a/c b) real a/c c) personal a/c d) impersonal a/c
CO1	K2	2.	Public limited companies cannot issue. a) Equity shares b) deferred shares c) preference shares d) debenture
CO2	K1	3.	A company can redeem. a) only fully paid Redeemable Preference Shares b) partly paid Redeemable Preference Shares c) preference shares d) Irredeemable Preference Shares
CO2	K2	4.	Premium on redemption of debenture a/c is the nature of a) personal a/c b) real a/c c) nominal a/c d) impersonal a/c
CO3	K1	5.	A company making profits can pay to its managing director a maximum remuneration of: a) 15% of Net profit b) 20% of Net profit c) Rs. 20,000 p.m d) 5% of Net profit
CO3	K2	6.	Amount set apart to meet losses due to bad debt is a. a) Provision b) Reserve c) Liability d) Contingent liability
CO4	K1	7.	Goodwill is a. a) Tangible asset b) Fictitious assets c) Current assets d) Intangible assets
CO4	K2	8.	Super profit is divided into two or three divisions and each division is multiplied by a different number of years in case. a) Purchase of super profit method b) Sliding scale valuation of super profit method c) Capitalization of super profit d) Annuity of super profit
CO5	K1	9.	Financial statement refers to. a) profit and loss a/c b) Balance sheet c) Fund flow cash flow statement d) all of the above
CO5	K2	10.	Disclosure of Accounting policies dealt in a) AS2 b) AS1 c) AS 3 d) AS4

Course Outcome	Bloom's K-level	Q. No.	SECTION – B (5 X 5 = 25 Marks) Answer ALL Questions choosing either (a) or (b)
CO1	K3	11a.	<p>A Ltd. had its issued capital comprising 20,000 equity shares of Rs. 10 each payable as: Rs 2. On application, Rs. 3 on Allotment (including premium), Rs. 3 on 1st call and Rs. 3 on Final call.</p> <p>The shares were called up to the 1st call stage. All the share money received except from Arun, holding 300 shares, who paid only application and except from Balan holding 100 shares, who paid up to allotment. All these shares were forfeited. Give the Journal entry for forfeiture.</p> <p style="text-align: center;">(OR)</p>
CO1	K3	11b.	<p>An existing company offered 20,000 equity shares of Rs 10 each at a discount of 5% per shares were payable as under: On application Rs 3.00 per share On allotment Rs 4.00 per share On First call & Final call Rs 2.50 per share</p> <p>Public applied for 16,000 shares and these shares have been allotted. All moneys were received. Pass entries in the journal and cash book and show the balance sheet.</p>
CO2	K3	12a.	<p>ABC ltd has 5000, 8% redeemable preference share of Rs.100 each fully paid up. When these shares became due to redemption the company issued new 6 % 2500 redeemable preference shares of Rs.100 each at a premium Rs.10 each and 25000 equity shares of Rs.10 each at a premium of Rs.2 each. The new issue was fully subscribed and paid for. Then 8 % redeemable preference shares were redeemed. Show journal entries.</p> <p style="text-align: center;">(OR)</p>
CO2	K3	12b.	<p>On 1st January 2007, a company issued Rs.150,000, 10 % debentures at a premium of 10 % repayable in five years at par. The interest is payable half yearly on 30th June and 31st December every year. On 31st December 2007, the company redeemed Rs.15000 debentures out of capital by drawing a lot. You are required pass journal entries in the books of a company.</p>
CO3	K4	13a.	<p>A company has fixed assets of Rs.2,00,000 and profit after depreciation @5% p.a. is Rs.80,000 and the Income tax limit for depreciation is Rs.8,000. Calculate : a) 5% of the Net Profit as commission to Manager. b) Tax Provision at 50%.</p> <p style="text-align: center;">(OR)</p>
CO3	K4	13b.	<p>X Ltd., had earned Rs.6,00,000 profit on 31.12.2007 which is appropriated as follows: a) Rs.50,000 towards debenture redemption fund; b) 8% preference dividend (tax free), tax being 20% OF Rs. 6,60,000 c) 10% ordinary dividend, tax being 20% on 20,00,000; d) Rs.74,000 to general forward; e) Balance to be carried forward; Prepare Profit & Loss Appropriation a/c.,</p>
CO4	K4	14a.	<p>Amudha Company decided to purchase a business. Its profit for the last 5 years are: 2003 Rs.25,000; 2004 Rs. 35,000, 2005- Rs. 31,000; 2006 Rs. 37,000 2007 Rs. 42,000. The reasonable remuneration of the proprietor of the business is Rs. 6,000 p.a., but it has not been taken into account for calculation of above mentioned profit. Calculate goodwill on the basis of three years purchase of the average profit.</p> <p style="text-align: center;">(OR)</p>

CO4	K4	14b.	The following information is presented for five years ending 31 st December 2007.																					
			<table border="1"> <thead> <tr> <th>Year</th> <th>Profits after</th> <th>taxation</th> <th>Directors Rem.</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>40,000</td> <td>12000</td> <td>2500</td> </tr> <tr> <td>2004</td> <td>47000</td> <td>14000</td> <td>2500</td> </tr> <tr> <td>2005</td> <td>35000</td> <td>9250</td> <td>2750</td> </tr> <tr> <td>2006</td> <td>30000</td> <td>6000</td> <td>3000</td> </tr> <tr> <td>2007</td> <td>50000</td> <td>10000</td> <td>3500</td> </tr> </tbody> </table> <p>Fixed assets have been revalued and the same showed an appreciation of Rs. 2,00,000 (depreciation to be provided for @10%). The current rate of taxation may be taken @50%. The company has a 10% Preference share capital of Rs. 40,000.</p> <p>Calculate the value of goodwill on the basis of 3 years' purchase of the last five years' average profit.</p>	Year	Profits after	taxation	Directors Rem.	2003	40,000	12000	2500	2004	47000	14000	2500	2005	35000	9250	2750	2006	30000	6000	3000	2007
Year	Profits after	taxation	Directors Rem.																					
2003	40,000	12000	2500																					
2004	47000	14000	2500																					
2005	35000	9250	2750																					
2006	30000	6000	3000																					
2007	50000	10000	3500																					
CO5	K5	15a.	Measure the importance of Applicability of Indian accounting standards. (OR)																					
CO5	K5	15b.	Defend the Indian accounting standards is necessary for submission of audit report.																					

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.	<p>A Company with an authorized capital of Rs.30,00,000 invited applications for 2,00,000 shares of Rs. 10 each at premium at 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</p> <p>There was over-subscription and applications were received for 3,60,000 shares. Allotment shares was made as under.</p> <p>To Applicants of 1,50,000 shares - 1,50,000 shares - allotted To Applicants of 25,000 shares Nil To Applicants of 1,85,000 shares 50,000 shares - allotted</p> <p>Excess money paid on application was adjusted against sums due on allotment and first call. All moneys due were received. Give journal entries to record the above transactions.</p> <p>(OR)</p>
CO1	K3	16b.	<p>SAM limited issued 40,000 equity shares of Rs. 10 each all The entire issue was underwritten as follows P-24,000 shares(Firm underwriting 3,200 shares) Q-10,000 shares (Firm underwriting 4000 shares) R- 6,000 shares - (Firm underwriting 1,200 shares)</p> <p>The total application including firm underwriting were for 28,400 shares. The marked applications were as under P: 7200 shares: Q: 9,000 shares and R: 3,200 shares The underwriting contract provides that credit for unmarked applications be given to the underwriters in proportion to the shares underwritten.</p> <p>Determine the liability of each underwriter and the amount of commission payable to them assuming it is the maximum allowed by law and shares underwritten are treated as unmarked applications.</p>

CO2	K4	17a.	<p>A company has 800 redeemable preference share of Rs.100 each fully paid. The company decides to redeem the shares on 30th June 2008 at a premium of 7%. The company has sufficient profits but in order to augment liquid funds the following issues are made.</p> <p>a) 3000 , 6% debentures of Rs.100 each at Rs.106. b). 2000 equity shares of Rs. 100 each at Rs.111</p> <p>the issues were fully subscribed and all the amounts were received the redemption was dully carried out. Give journal entries.</p> <p style="text-align: center;">(OR)</p>																																																
CO2	K4	17b.	<p>A company issued 5000 debentures of Rs,100 each at par on 1st January 2003, redeemable at par on 31st December 2007. A sinking fun was established for the purpose. It was expected that investment would earn 5 percent net. Sinking fund tables show that Re.0.180975 amounts to Re.1 the end of 5 years @ 5%. The investment are made in multiple of Rs.100. on 31st December 2007. The investment realised Rs.390000. on that date the company bank balance stood at Rs. 145600. The debentures were duly redeemed. Give the necessary journal entries in the books of the company.</p>																																																
CO3	K4	18a.	<p>Authorized capital of Z Ltd is Rs. 5,00,000 (50,000 shares of Rs.10 each) on 31.12.2006. 25,000 shares were fully called up. On 31.12.2006, the following balances taken from the ledger of the company.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Opening stock</td> <td style="text-align: right;">50,000</td> <td>Bonus</td> <td style="text-align: right;">10,500</td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">4,25,000</td> <td>Sundry debtors</td> <td style="text-align: right;">38,700</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">3,00,000</td> <td>Sundry creditors</td> <td style="text-align: right;">35,200</td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">70,000</td> <td>Plant and machinery</td> <td style="text-align: right;">80,500</td> </tr> <tr> <td>Discount allowed</td> <td style="text-align: right;">4,200</td> <td>Furniture</td> <td style="text-align: right;">17,100</td> </tr> <tr> <td>Discount received</td> <td style="text-align: right;">3,150</td> <td>Cash and bank</td> <td style="text-align: right;">1,34,700</td> </tr> <tr> <td>Insurance (paid upto 31.3.07)</td> <td style="text-align: right;">6,720</td> <td>Reserve</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">18,500</td> <td>Loan from M.D</td> <td style="text-align: right;">15,700</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">6,000</td> <td>Bad debts</td> <td style="text-align: right;">3,200</td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">8,950</td> <td>Calls in arrears</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Printing and stationary</td> <td style="text-align: right;">2,400</td> <td>Furniture</td> <td style="text-align: right;">35,200</td> </tr> <tr> <td>Advertising</td> <td style="text-align: right;">3,800</td> <td>P and L A/C (Cr)</td> <td style="text-align: right;">6,220</td> </tr> </table> <p>Additional informations were furnished:</p> <p>(a) Closing stock Rs.91,500. (b) Depreciation on plant and machinery, furniture @15% and 10% respectively. (c) Wages, salaries and rent outstanding amounts Rs.5,200 Rs. 1,200 and Rs.600 respectively. (d) Dividend @ 5% on paid up share capital is to be provided. Prepare final accounts of the company.</p> <p style="text-align: center;">(OR)</p>	Opening stock	50,000	Bonus	10,500	Sales	4,25,000	Sundry debtors	38,700	Purchases	3,00,000	Sundry creditors	35,200	Wages	70,000	Plant and machinery	80,500	Discount allowed	4,200	Furniture	17,100	Discount received	3,150	Cash and bank	1,34,700	Insurance (paid upto 31.3.07)	6,720	Reserve	25,000	Salaries	18,500	Loan from M.D	15,700	Rent	6,000	Bad debts	3,200	General expenses	8,950	Calls in arrears	5,000	Printing and stationary	2,400	Furniture	35,200	Advertising	3,800	P and L A/C (Cr)	6,220
Opening stock	50,000	Bonus	10,500																																																
Sales	4,25,000	Sundry debtors	38,700																																																
Purchases	3,00,000	Sundry creditors	35,200																																																
Wages	70,000	Plant and machinery	80,500																																																
Discount allowed	4,200	Furniture	17,100																																																
Discount received	3,150	Cash and bank	1,34,700																																																
Insurance (paid upto 31.3.07)	6,720	Reserve	25,000																																																
Salaries	18,500	Loan from M.D	15,700																																																
Rent	6,000	Bad debts	3,200																																																
General expenses	8,950	Calls in arrears	5,000																																																
Printing and stationary	2,400	Furniture	35,200																																																
Advertising	3,800	P and L A/C (Cr)	6,220																																																
CO3	K4	18b.	<p>The following is the Trial Balance of Adharsh & co ltd. As on 31.3.2003 with the authorized capital of 72,000 shares at Rs.10 each.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Debit</th> <th></th> <th style="text-align: center;">Credit</th> </tr> </thead> <tbody> <tr> <td>Cash in hand</td> <td style="text-align: right;">9,00</td> <td>P/L a/c balance</td> <td style="text-align: right;">17,400</td> </tr> <tr> <td>Cash at bank</td> <td style="text-align: right;">3,55,980</td> <td>Creditors</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Calls in arrear</td> <td style="text-align: right;">9,000</td> <td>Debentures</td> <td style="text-align: right;">3,60,000</td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">92,760</td> <td>Share Capital (called up)</td> <td style="text-align: right;">5,52,000</td> </tr> <tr> <td>Land and Buildings</td> <td style="text-align: right;">3,60,000</td> <td>Bills payable</td> <td style="text-align: right;">45,600</td> </tr> <tr> <td>Plant and Machinery</td> <td style="text-align: right;">4,32,000</td> <td>Sales</td> <td style="text-align: right;">4,98,000</td> </tr> <tr> <td>General Expenses</td> <td style="text-align: right;">20,280</td> <td>Reserve for bad debts</td> <td style="text-align: right;">4,200</td> </tr> </tbody> </table>		Debit		Credit	Cash in hand	9,00	P/L a/c balance	17,400	Cash at bank	3,55,980	Creditors	60,000	Calls in arrear	9,000	Debentures	3,60,000	Wages	92,760	Share Capital (called up)	5,52,000	Land and Buildings	3,60,000	Bills payable	45,600	Plant and Machinery	4,32,000	Sales	4,98,000	General Expenses	20,280	Reserve for bad debts	4,200																
	Debit		Credit																																																
Cash in hand	9,00	P/L a/c balance	17,400																																																
Cash at bank	3,55,980	Creditors	60,000																																																
Calls in arrear	9,000	Debentures	3,60,000																																																
Wages	92,760	Share Capital (called up)	5,52,000																																																
Land and Buildings	3,60,000	Bills payable	45,600																																																
Plant and Machinery	4,32,000	Sales	4,98,000																																																
General Expenses	20,280	Reserve for bad debts	4,200																																																

			Salaries	17,400	General Reserve	30,000
			Interim dividend paid	9,000		
			Furniture	40,000		
			Purchases	2,29,880		
				15,67,200		15,67,200
			Adjustments. (a) Outstanding wages Rs.6,000; Salaries Rs.3,000. (b) General expenses include prepaid insurance @ Rs.300. (c) Provide depreciation on Land and Buildings, Plant and Machinery and Furniture 5%, 10% and 20% respectively. (d) Stock on 31.3.2003 amounted to Rs.1,40,000. (e) Outstanding interest on debenture Rs. 18,000. (1) Final dividend paid Rs.21,000. Prepare Final Accounts.			
CO4	K5	19a.	The balance sheet of B ltd as on 31.12.2003. is given below.			
			Liabilities	Rs.	Assets	Rs
			4000, 10% preference Shares of Rs.100 each	4,00,000	Sundry assets At book value	12,00,000
			60,000 Equity shares of Rs. 10 each	6,00,000		
			Bills payable	50,000		
			creditors	1,50,000		
				12,00,000		12,00,000
			a). the market value of 60 % of the assets is estimated to the 15 % more than the book value and that of the remaining 40 % less than the book value. b). there is an unrecorded liability of Rs.10,000. Find out the value of each equity shares on the basis of the assumption that preference shareholders have no prior claim as to payment of dividend or to repayment of capital.			
			(OR)			
CO4	K5	19b.	From the following information, compute the "Intrinsic Value" of an equity share of Pet Ltd.			
			Liabilities	Rs.	Assets	Rs
			20,000 Equity shares of Rs. 10 each fully paid	2,00,000	Land and Building	80,000
			5000 8 % preference shares of Rs.10 each	50,000	Plant and Machinery	80,000
			General Reserve	16,000	Book debts	10,000
			6% Debentures of Rs. 10 each	20,000	Stock-in- trade	40,000
			Sundry Creditors	20,000	Cash in hand	30,000
					Cash at Bank	40,000
					5% Govt. securities	20,000
					Preliminary expenses	6,000
				3,06,000		3,06,000
			i) Fair return on capital employed in this type of business is 10% p.a. ii) Goodwill is to be taken at 4 years purchase of super profit iii) Average of the profits (after deduction of preliminary expenses) for the last seven years is Rs. 38,000. Preliminary expenses to the extent of Rs. 2,000 has been written off every year for the last seven years. Profit is more or less stable over years and the same trend is expected to be maintained in the near future. Ignore taxation.			
CO5	K5	20a.	Criticizes the AS-1 Disclosure of accounting policies is use full for the preparation accounting			
			(OR)			
CO5	K5	20b.	Justify fundamentals of AS 7 – cash flow statements.			

