

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai - 600 044.

B.Com.ISM - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - V

20UBICT5010 - Corporate Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Distinguish between a Private limited company and a Public limited company.
2. Kay Ltd., has an issued capital of Rs.5,00,000 in 50,000 shares of Rs 10.each on which Rs.8 per share has been called up. The company now decides to reduce the share capital to share of Rs.8 each fully paid by cancelling the unpaid amount of Rs.2 per share. Prepare journal entry.
3. Bharat Ltd., issued 1,50,000 equity shares. The whole of the issue was underwritten as follows:
X- 50%; Y-25% and Z-25%
Applications for 1,20,000 shares were received in all, out of which applications for 30,000 shares have the stamp of X, those for 15,000 shares that of Y and those for 30,000 shares that of Z. The remaining applications for 45,000 shares did not bear any stamp. Determine the liability of the underwriter.
4. Explain in detail about the basis on which Apportionment of Expenses will be carried out.
5. Show the format of balance sheet as per revised schedule VI.
6. A firm earned net profits during the last three years as follows:
I year – 36,000 II year – 40,000 III year – 44,000
The capital investment of the firm is Rs.1,00,000. A fair return on the capital, having regard to the risk involved, is 10%. Compute the value of goodwill on the basis of 3 year purchase of super profit.
7. A company purchased building of the book value of Rs.1,98,000 from another firm. It was agreed that the purpose consideration be paid by issuing 10% debentures of Rs.100 each. Prepare journal entries if the debenture have been issued (i) at par (ii) at discount of 10% and (iii) at a premium of 10%.

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8. The profits of Radhika Ltd for the last 5 years were as follows:

Year	Amount
2014	15,000
2015	18,000
2016	22,000
2017	25,000
2018	27,000

Solve and find the value of goodwill of Radhika Ltd., on the basis of 4 year purchase of weighted average profit after assigning weights 1,2,3,4 and 5 serially to the profits.

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. In January 2023 Green Ltd., Issued 2,000 shares of Rs.100 each at a discount of 5%. The issue was fully subscribed by paying Rs.20 per share on application. The balance was payable as to Rs.25 on allotment (with adjustment of discount); Rs.20 on first call and Rs.30 on final call.
All the calls were made and received with an exception of final call on 200 shares held by one Mr.Rahul. Interpret the above with necessary Journal entries.
10. A company has 10,000 9% redeemable preference shares of Rs.100 each fully paid. The company decides to redeem the shares on 31st Dec 2023 at a premium of 10%. The company makes the following issues:
(i) 6,000 equity shares of Rs.100 each at a premium of 10%
(ii) 4,000 8% debentures of Rs.100 each.
The issue was fully subscribed and allotments were made. The redemption was duly carried out. The company has sufficient profits. You are required to Prepare necessary journal entries.
11. The following scheme of reconstruction has been approved for Divya Ltd.
- The shareholder to receive in lieu of their present holding of 60,000 shares of Rs.10 each fully paid the following:
 - Fully paid new equity shares equal to $1/3^{rd}$ of their holding.
 - 8% preference shares fully paid, to the extent of $1/5^{th}$ of the above new equity shares.
 - Rs.60,000 8% secured debentures.
 - The debenture holders total claim of Rs.75,000 to be reduced to Rs.25,000.
 - An issue of Rs.50,000 6% first debentures was made and allotted, payment for the same having been received in cash.
 - The goodwill which stood at Rs.3,00,000 was written down to Rs.50,000. Plant & Machinery which stood at Rs.1,00,000 was written down to Rs.75,000.

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5. The freehold premises which stood at Rs.1,75,000 was written down by Rs.75,000.

Prepare journal entries in the books of Divya Ltd., for the above reconstruction scheme.

12. A Ltd., was registered with an authorised capital of Rs.6,00,000 in equity shares of Rs.10 each. The following is its trail balance on 31st March 2024.

Particulars	Debit balance	Credit balance
Goodwill	25,000	-
Cash	750	-
Bank	39,900	-
Purchases	1,85,000	-
Preliminary expenses	5,000	-
Share capital	-	4,00,000
12% debentures	-	3,00,000
P&L A/c (cr)	-	26,250
Calls in arrears	7,500	-
Premises	3,00,000	-
Plant & Machinery	3,30,000	-
Interim dividend	39,250	-
Sales	-	4,15,000
Stock (01.04.2023)	75,000	-
Furniture & Fixture	7,200	-
Sundry debtors	87,000	-
Wages	84,865	-
General expenses	6,835	-
Freight and Carriage	13,115	-
Salaries	14,500	-
Directors Fee	5,725	-
Bad debts	2,110	-
Debenture interest paid	18,000	-
Bills payable	-	37,000
Sundry creditors	-	40,000
General Reserve	-	25,000
Provisions for bad debts	-	3,500
	12,46,750	12,46,750

Prepare statement of Profit & Loss and Balance sheet in proper form after making the following adjustments:

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- (i) Depreciate Plant and Machinery by 15%
- (ii) Write off preliminary expenses
- (iii) Provide for 6 months interest on debentures
- (iv) Leave bad and doubtful debts provision at 5% on sundry debtors
- (v) provide for income tax at 50%
- (vi) stock on 31.03.2024 was Rs.95,000

13. Classify the various users of Financial statements.
