

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. CA - END SEMESTER EXAMINATIONS - APRIL 2025
SEMESTER - III

23UCCCT3004 - Corporate Accounting-I

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. The following underwriting took place: A – 6,000 shares; B – 2,500 shares and C – 1,500 shares. In addition, there is firm underwriting.
A – 800 shares; B – 300 shares; C – 1,000 shares
The issue is for 10,000 shares. Total subscription including firm underwriting is for 7,100 shares and the applications include the following marked forms:
A – 1,000 shares; B – 2,000 shares; C – 500 shares
Show the allocation of liability of the underwriters if the firm underwritten shares are treated as unmarked applications.
2. X Ltd., which had Rs.50,00,000 10% debentures outstanding, made the following purchases in the open market for immediate cancellation:
1/4/2017 1,000 debentures of Rs.100 each at Rs.99
You are required to give the journal entries for purchase and cancellation of the debentures.
(a) if the purchase rates are ex-interest; (b) if the purchase rates are cum-interest.
Assume that interest is payable every year on 30th June and 31st December.
3. The following are the balances extracted from the books of a company, you are required to calculate the remuneration of the Managing Director at 5% of the net profit after charging such commission.
Net Profit is Rs.38,786; Items considered for arriving at the above profit: Provision for taxation – Rs.30,000; M.D. Remuneration – Rs.12,000; Preliminary expenses written off – Rs.4,000; Depreciation inadmissible – Rs.2,880.
4. From the following information calculate the value of goodwill on the basis of 3 years purchase of super profits:
Average capital employed in the business is Rs.20,00,000
Normal rate of return in the business is 10%
Net profit for the past three years were Rs.3,50,400; Rs.2,80,300 and Rs.3,10,100
Salaries to partners Rs.48,000
5. What is the definition of an intangible asset under Ind AS 38, and how does it differ from a tangible asset?

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6. A Ltd., forfeited 100 shares of Rs.10 each on which Rs.3 per share was called and unpaid. The shares were originally issued at a premium of Rs.2 per share. The forfeited shares were reissued at Rs.8 per share. Calculate the amount to be transferred to the capital reserve account.
7. A Ltd., issued 1,000 8% debentures of Rs.100 each. Give appropriate journal entries in the books of the company, if the debenture were issued as follows:
- Issued at par , redeemable at par
 - Issued at discount of 5%, repayable at a premium of 10%
 - Issued at premium of 10%, repayable at premium of 15%
8. On 31/3/2023, XYZ Ltd., has the following inventories:

Item	Quantity (units)	Cost Price in Rs. per unit	Net Realizable Value in Rs. per unit
A	100	10	8
B	200	20	25
C	300	30	28

Calculate the value of inventories as at 31/3/23 as per Ind AS 2.

Section C

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

9. W Ltd., issued for public subscription 2,00,000 equity shares of Rs.10 each at a premium of Rs.2 per share payable as under:
On application – Rs.2 per share; On allotment – Rs.5 per share; On first call Rs.2 per share; On final call Rs.3 per share. Applications were received for 3,00,000 shares. Allotment was made pro-rata to the applicants for 2,40,000 shares, the remaining applications were refused. Money over paid on application was utilized towards sums due on allotment. A to whom 8,000 shares were allotted failed to pay allotment and calls money and B to whom 10,000 shares were allotted failed to pay both the calls. These shares were subsequently forfeited after the final call was made. All the forfeited shares were sold to C as fully paid up at Rs.8 per share. Show the journal entries in the books of W Ltd.
10. The following is the summarised Balance Sheet of X Ltd.

Liabilities	Amount	Assets	Amount
1,50,000 equity shares of Rs.10 each	15,00,000	Sundry Assets	25,60,000
6,000 8% preference shares of Rs.100 each fully paid up	6,00,000	Cash at Bank	2,85,000
3,000 9% preference shares of Rs.100 each, Rs.75 paid up	2,25,000		
Capital Reserves	1,00,000		
Securities Premium	60,000		
Current Liabilities	3,60,000		
	28,45,000		28,45,000

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It is decided to redeem both the classes of preference shares at a premium of 5%. The company issued equity shares of Rs.10 each at a premium of 10% as were necessary to provide cash for redemption. The issue was fully subscribed and all the money were received. Pass journal entries and prepare balance sheet.

11. B Ltd., was registered with an authorised capital of Rs.6,00,000 in equity shares of Rs.10 each. The following is the trial balance on 31st March 2023.

Debit	Amount	Credit	Amount
Goodwill	25,000	Share capital	4,00,000
Cash	750	12% Debentures	3,00,000
Bank	39,900	Profit & Loss a/c	26,250
Purchases	1,85,000	Sales	4,15,000
Preliminary expenses	5,000	Bills Payable	37,000
Calls in arrears	7,500	Creditors	40,000
Premises	3,00,000	General Reserve	25,000
Plant & Machinery	3,30,000	Provision for bad debts	3,500
Interim dividend	39,250		
Stock on 1.4.22	75,000		
Furniture & Fixtures	7,200		
Debtors	87,000		
Wages	84,865		
General expenses	6,835		
Freight & Carriage	13,115		
Salaries	14,500		
Directors' fees	5,725		
Bad debts	2,110		
Debenture interest paid	18,000		
	12,46,750		12,46,750

Prepare statement of profit and loss and balance sheet in revised format as per schedule VI after making the following adjustments:

Depreciate plant and machinery by 15%

Write off preliminary expenses

Provide for 6 months interest on debentures

Leave bad and doubtful debts provision at 5% on debtors

Provide for income tax at 50%

Stock on 31/3/23 was Rs.95,000

Provide for corporate tax dividend tax @17%

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12. 31/12/2015 the Balance Sheet of Z Ltd., disclosed the following position:

Liabilities	Amount	Assets	Amount
Issued capital in Rs.10 shares	4,00,000	Fixed Assets	5,00,000
Reserves	90,000	Current Assets	2,00,000
Profit & Loss A/c	20,000	Goodwill	40,000
5% Debentures	1,00,000		
Current Liabilities	1,30,000		
	7,40,000		7,40,000

On 31/12/2015, the fixed assets were independently valued at Rs.3,50,000 and the goodwill at Rs.50,000. The net profits for the year were 2013 – Rs.51,600; 2014 – Rs.52,000 and 2015 – Rs.51,650 of which 20% was placed to reserve, the proportion being considered reasonable in the industry in which the company is engaged and where a fair return on investment may be taken at 10%. Compute the value of the company's share by – (a) Net assets method; (b) Yield method.

13. Prepare a statement of cash flows for the year ended 31st March 2023, from the following information:

Particulars	Amount
Net profit before tax	150000
Depreciation	30000
Interest income	10000
Interest expense	20000
Dividend received	15000
Increase in trade receivables	25000
Decrease in trade payables	30000
Purchase of property, plant and equipment	100000
Proceeds from sale of property, plant and equipment	50000
Cash and cash equivalents at the beginning of the year	200000
