

Roll.No.

25UCOCT3E05

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. - END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - III

25UCOCT3E05 - Corporate Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. W Ltd invited applications for 20,000 shares of Rs.100 each payable:
Rs.25 on application, Rs.35 on allotment and Rs.40 on call. 25,000 shares were applied for. The directors accepted applications for 20,000 shares and rejected the remaining applications. All moneys due were fully received. Show the journal entries till allotment.
2. A company incorporated on 1.7.2004 to take over the business of Mr. Ramesh as a going concern with effect from 1.4.2004. Accounts are closed on 31.3.2005. Total sales for the year 31.3.2005 was Rs.3,00,000 divided into Rs.1,00,000 for the period upto 1.7.2004 and the balance for the remaining period. Calculate the Time Ratio and Sales Ratio.
3. From the following particulars of G Ltd. Find out the Managerial remuneration assuming there are two whole time directors: a part time director and manager:
Net profit before provision for income tax and managerial
Remuneration but after depreciation. - Rs.8,70,410
Depreciation provided in the books.Rs.3,10,000
Depreciation allowable as per S.II Rs.2,60,000.
4. XYZ Company Ltd directors decided to reconstruct as per court approval:
To reduce its Share Capital by Rs.5,00,000. The reduction was made by converting 50,000 preference shares of Rs.20 each fully paid to the same number of preference shares of Rs.15 each fully paid and by converting 50,000 equity shares of Rs.20 each on which Rs.15 is paid up into 50,000 equity shares of Rs.10 each fully paidup.
To utilize the amount made available to
 1. Write off the debit balance of P&L A/c of Rs.2,10,000
 2. To reduce the value of Plant & Machinery by Rs.90,000 and Goodwill by Rs.40,000.
 3. To reduce the value of investments by Rs.80,000Pass Journal entries to record share capital reduction.
5. The following underwriting of equity shares takes place; A - 6,000 shares; B – 2,500 shares; C – 1,500 shares. The issue consists of 10,000 shares. The total subscription was 7,100 shares and the form included the following marked forms – A; 1000 shares- B; 2000 shares-C; 500 shares. Show the allocation of liability of underwriters.
6. Rajan a small scale Industrialist decided to convert his firm into a limited company with effect from 1st April 2006.But he obtained the certificate of Incorporation on 1st August 2006.His accounts closed on 31st December 2006.Find out Time Ratio & Sales Ratio for the purpose of calculating pre & post incorporations profit. If the company has the profit on 31/12/2006 is 40,000 and Sales till July 2,00,000 and the Total Sales were 5,00,000.
7. Give the Proforma of Balance Sheet under Company Final Accounts.

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8. Given below is the balance sheet of a company as on 31.3.2002

Liabilities	Rs.	Assets	Rs.
6% preference share of Rs.100 each	2,00,000	Goodwill	60,000
Equity share of Rs.100 each	4,00,000	Fixed assets	3,00,000
Debentures	1,00,000	Stock	1,50,000
Sundry Creditors	1,50,000	Debtors	60,000
		Discount on debentures	10,000
		Bank	1,000
		P & L A/c	2,69,000
	8,50,000		8,50,000

The following reconstruction scheme was approved:

- Preference shares be reduced to 8% Preference shares of Rs.60 each.
- Equity shares to be reduced by Rs.80 each
- The amount thus made available to be utilized to write off fictitious assets including goodwill and Rs.50, 000 from fixed assets.

Give journal entries for the reconstruction and prepare the final balance sheet

Section C

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

9. A Ltd., issued a prospectus inviting applications for 2000 shares of Rs.10 each at a premium of Rs.2 per share payable as follows :
- On application Rs.2
 - On allotment Rs.5 (including premium)
 - On first call Rs.3
 - On second call and final call Rs.2.
- Applications were received for 3000 shares and prorata allotment was made on the applications for 2400 shares. Money overpaid on applications was adjusted towards sum due on allotment. Ram to whom 40 shares were allotted failed to pay the allotment money and on his subsequent failure to pay the first call his shares were forfeited. Mohan, the holder of 60 shares, failed to pay the two calls, and his shares were forfeited after the second call. Of the shares forfeited, 80 shares were sold to Kumar credited as fully paid for Rs. 9 per share, the whole of Ram being included. Show journal entries and cash book entries.
10. S Ltd., issued 40,000 equity shares of Rs.10 each at par. The entire issue was underwritten as follows:
- A – 24,000 Shares (firm underwriting 3,200 shares)
 - B – 10,000 Shares (firm underwriting 4,000 Shares)
 - C – 6,000 Shares (firm underwriting 1,200 Shares)
- The total applications including firm underwriting were for Rs.28,400 shares. The marked applications were as under:
- A –7,200 shares : B –9,000 shares and C-3,200 shares
- The underwriting contract provides that credit for unmarked applications be given to the underwriters in proportion to the shares underwritten.
- Determine the liability of each underwriter and the amount of commission payable to them assuming it is the maximum allowed by law.

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11. A company was incorporated on 1.6.2008 in order to purchase a running business from 1.1.2008. Following particulars are available from the records on 31.12.2008.

(a) Total sales for 2008 – Rs.80,000 (b) Sales from 1.1.2008 to 31.5.2008 – Rs.20,000

Particulars	Rs.	Particulars	Rs.
To Commission sales	5,000	By gross profit	30,000
To Director fees	2,000		
To bad debts	5,000		
To Preliminary Expenses	2,000		
To Depreciation	12,000		
To Net profit	4,000		
	30,000		30,000

Calculate profit before and after incorporation.

12. The following is the detail of Alpha Ltd., as on 31.3.2010 with the authorized capital of 72,000 shares @ Rs.10 each.

	Rs.
Cash in hand	900
Cash at bank	3,55,980
Profit and loss A/c balance	17,400
Creditors	60,000
Debentures	3,60,000
Share capital (called up)	5,52,000
Bills payable	45,600
Sales	4,98,000
Reserve for bad debts	4,200
Furniture	40,000
General reserve	30,000
Calls in arrears	9,000
Wages	92,760
Land and buildings	3,60,000
Plant and machinery	4,32,000
General expenses	20,280
Salaries	17,400
Interim dividend paid	9,000
Purchases	2,29,880

Adjustments :

- (a) Outstanding wages Rs.6,000; Salaries Rs.3,000
- (b) General expenses include prepaid insurance @ Rs.300.

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- (c) Provide depreciation on land and buildings plant and machinery and furniture 5%, 10% and 20% respectively.
- (d) Stock on 31.3.2010 amounted to Rs.1,40,000
- (e) Outstanding interest on debentures Rs.18,000
- (f) Final dividend declared Rs.21,000.

Construct final accounts of the company.

13. Describe the factors affecting the values of shares.
