

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.
M.Com.- END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - I
25PCOCT1001 - Corporate Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

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

1. From the following information provided by MNC Ltd. for the year ended 31st March, 2021, calculate the overall (maximum) managerial remuneration:

	₹.		₹.
To Salaries and Wages	65,000	By Gross Profit	16,70,000
To Repairs	30,000	By Profit on Sale of Plant (Cost ₹3,00,000; Written down value ₹1,50,000 Amount realised on Sale ₹3,20,000)	1,70,000
To Depreciation (including Development Rebate ₹15,000)	1,10,000	By Subsidy from Government	40,000
To General Expenses	25,000		
To Loss on Sale of Investment	20,000		
To Scientific Research (new Laboratory setup)	1,03,000		
To Donation to Charitable Institutions	35,000		
To Interest on Debentures	35,000		
To Debenture Trustees Remuneration	15,000		
To Directors' Fees	12,000		
To Income Tax	5,10,000		
To Proposed Dividend	5,10,000		
To Balance c/d	4,10,000		
	18,80,000		18,80,000

2. From the following balances, prepare Balance sheet of a company in the prescribed format. Goodwill Rs.1,50,000; Investments Rs.2,00,000; Share capital Rs.5,00,000; Reserves Rs.1,10,000; Share premium Rs.15,000; Preliminary expense Rs.10,000; Profit and Loss A/c (Cr) Rs.25,000; Debentures Rs.2,50,000. Other fixed assets Rs.4,70,000; Stock Rs.80,000; Debtors Rs.60,000; Bank balances Rs.30,000; Unsecured loan Rs.65,000; Sundry creditors Rs.35,000.
3. On 31st March, 2021 the books of Zee Insurance Company Limited, contained the following particulars in respect of fire insurance:

Particulars	Amount (₹)	Particulars	Amount (₹)
Reserve for Unexpired Risks on March 31, 2020	5,00,000	Expenses of Management (including ₹30,000 legal expenses paid in connection with the claims)	2,80,000
Additional Reserve for Unexpired Risks on March 31, 2020	1,00,000	Interest and Dividend	64,250
Premiums	11,20,000	Income Tax on the above	6,520
Claims paid	6,40,000	Profit on Sale of Investment	11,000
Estimated Liability in Respect of Outstanding Claims:		Commission paid	1,52,000
On March 31, 2020	65,000		
On March 31, 2021	90,000		

On 31st March, 2021 provide ₹5,00,000 as unexpired risk reserve and ₹75,000 as additional reserve. You are required to prepare the Fire Insurance Revenue account as per the regulations of IRDA, for the year ended 31st March, 2021.

4. Write a short note on social responsibility accounting.
5. A firm had ₹2,00,000 as cash at bank on 1-4-2021. The consumer price index on that date was 200. During the year ended 31st March, 2021 the receipts and payments were as stated below:

	Receipts	₹.	Index		Payments	₹.	Index
June 1	Sales	1,05,000	210	Sept. 15	Costs	2,15,000	215
Jan. 15	Sales	3,45,000	230	Nov. 20	Costs	1,50,000	240
				Dec. 1	Costs	2,00,000	225

Ascertain the profit or loss on account of price changes. The year end index was 240.

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6. The following is the balance sheet of S Ltd as on 31.03.2010

Liabilities	(₹)	Assets	(₹)
Share Capital Equity Shares of ₹10 each	270,000	Fixed Assets	290,000
Reserve & Surplus	360,000	Investments	275,000
Current Liabilities	85,000	Current Assets	130,000
		Preliminary expenses	20,000
Total	7,15,000	Total	7,15,000

H Ltd. acquired 25,000 shares in S Ltd. on 31st March, 2010 at a cost of ₹2,75,000. Fixed assets were revalued at ₹3,28,000. Find minority interest.

7. A life Insurance Company prepared its Revenue A/c for the year ended 31-3-2016 and ascertained its life assurance fund to be Rs.22,34,400. It has found later that the following had been omitted from the accounts:

	Rs.
(a) Interest accrued on Investments	32,000
Income tax liable to be deducted estimated to be Rs.10,000	
(a) Outstanding premiums	31,400
(a) Bonus utilized for reduction of Premium	6,600
(a) Claim intimated but not admitted	15,200
(a) Claims covered under reinsurance	5,300

What is the true Life Assurance fund?

8. Identify key success factors from a case study where AI was implemented in financial planning and analysis.

Section C

I - Answer any **TWO** questions (2 × 10 = 20 Marks)

9. The authorised capital of Inter State Distributors Ltd. is ₹7,50,000 consisting of 3,000 6% cumulative preference shares of ₹100 each and 45,000 equity shares of ₹100 each. Following is the trial balance drawn up on March 31, 2021:

Particulars	₹	Particulars	₹
Paid-up Capital:		General expenses	21,000
3,000 6% cumulative preference shares	3,00,000	Investments: 600 shares of ₹100 each in Sunrise Limited	60,000
3,000 equity shares (₹75 per share called up)	2,25,000	Preference dividend (half-year to 30 th September, 2020)	9,000
Goodwill	1,00,000	Purchases	4,76,500
5% first mortgage debentures (secured on freehold properties)	2,10,000	Debenture interest (half-year to September, 2020)	5,250
Trade debtors	1,67,500	Freight and carriage inward	3,750
Trade creditors	1,25,520	Bills receivable	6,000
Freehold properties at cost	3,90,000	Sales	9,18,600
Stock on 1 st April, 2020	2,41,500	Final dividend for 2019-20	20,250
General Reserve	82,725	Balance at bank in current account	97,500
Salaries	1,03,500	Cash in hand	14,145
Surplus Account (Cr.)	58,800	Shares forfeited account	2,000
Reserve for taxation	8,800	Furniture at cost	75,000
Delivery expenses	1,02,000		
Rent and rates	38,250		

- The value of stock on March 31, 2021 was ₹2,15,000;
- Depreciation on freehold properties is to be provided at 2.5% and on furniture at 6%;
- The directors propose to pay the second half-year's dividend on preference shares and a 10% dividend on equity shares;
- Shares were forfeited on non-payment of ₹35 per share.

You are required to prepare final accounts of the company.

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10. The following Balance Sheet as on 31-3-2016 are presented to you:

Particulars	H Ltd. (₹)	S Ltd. (₹)	Particulars	H Ltd. (₹)	S Ltd. (₹)
Equity and Liabilities					
Share Capital (Fully paid equity shares of 100 each)	5,00,000	2,00,000	Fixed Assets: Tangible	3,50,000	1,50,000
General Reserve	1,00,000		Stock in trade	90,000	40,000
Surplus (Deficit) in Statement of Profit and Loss	80,000		Trade Debtors	60,000	30,000
Surplus (Deficit) in Statement of Profit and Loss		(1,00,000)	6% Debentures in S Ltd acquired at cost	60,000	
6% Debentures (Secured)	-	1,00,000	Cash at Bank	1,20,000	
Trade Creditors	75,000	45,000	Investment in 1,500 equity shares of S Ltd	75,000	25,000
Total	7,55,000	2,45,000	Total	7,55,000	2,45,000

H Ltd. acquired the shares in 1st August 2015. The Surplus Account of S Ltd. showed a debit balance i.e. loss of ₹1,50,000 on 1st April 2015. During June 2015, goods costing 6,000 were destroyed by fire against which insurance paid only 2,000. Trade creditors of S Ltd. include ₹20,000 for goods supplied by H Ltd. on which H Ltd., made a profit of 2,000. Half of the goods were still in stock on 31st March 2016. Prepare a consolidated balance sheet of H Ltd., and its subsidiary S Ltd., at 31st March, 2016 as per Schedule III of the Companies Act, 2013.

11. From the following Trial Balance of Long Life Assurance Company, prepare the Revenue Account and the Balance Sheet. The statements need to be in the prescribed formats.

Debit Balances:	Amount in lakhs	Credit Balances	Amount in lakhs
Income Tax on Interest, Dividend and Rents	30	Life Assurance Fund Opening Balance	5,500
Income Tax paid	25	Premium less Reinsurances	2,000
Claims paid (net of Reinsurances) By death -	170	Outstanding Claims (net of reinsurances) Opening Balances By death-	110
By maturity-	250	By maturity	75
Property at cost (additions of ₹80 lakhs)	600	Consideration for Annuities Granted	100
Furniture & Office Equipment at cost-50	50	Registration Fees	5
Annuities	150	Interest, Dividend & Rents	250
Stationery	8	Contingencies Reserve	200
Cash at Bank	396	Provision for Taxation	50
Cash in hand	4	Property Depreciation	35
Surrenders (net of reinsurances)	5	Furniture & Office Equipment Depreciation	5
Commission	80	Sundry Creditors	30
Expenses of Management	400		
Sundry Debtors	12		
Loans on Policies	350		
Deposits with R.B.I.	30		
Investment in Equity Shares of Companies	5,800		
	8,360		8,360

Other informations:

- (1) Premium less reinsurances include 8 crores first year's premium, 11 crores renewal premium and 1 crore single premium.
- (2) Premium outstanding at the end of the year 250 lakhs.
- (3) Commission on outstanding premium 7.5 lakhs.
- (4) Claims less reinsurances outstanding at the end of the year are 50 lakhs (by death) and 30 lakhs (by maturity).
- (5) Depreciation to be provided 10 lakhs on property and 1.6 lakhs on furniture and office equipment.
- (6) Income tax provision to be made for 20 lakhs.
- (7) Expenses of 3 lakhs and 10 lakhs are prepaid and outstanding respectively, at the end of the year.
- (8) Accrued interest, dividend and rent are 25 lakhs.

12. Evaluate how AI-driven compliance systems can transform corporate governance and accountability practices in India.

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II - Compulsory question (1 × 10 = 10 Marks)

13. From the following information relates to a company for the year ended 31st March 2025

Particulars	Historical Cost (Rs.)	Current Cost (Rs.)
Fixed assets	5,00,000	8,00,000
Current assets	2,00,000	2,50,000
Current liabilities	1,00,000	1,00,000
Log term liabilities	3,00,000	3,00,000

Calculate

- Net worth under historical cost & current cost
- Net gain (or) loss due to price level changes.
