

Roll.No.

23PAFCT3010

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. A&F - END SEMESTER EXAMINATIONS - NOVEMBER 2025  
SEMESTER - III

**23PAFCT3010 - Corporate Accounting**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

### Section B

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

1. ABC Ltd., issued 10,000 equity shares of Rs.10 each at a discount of Rs.1 per share, payable Rs.3 on application, Rs.4 on allotment and Rs.2 on first and final call.

A shareholder holding 1000 shares failed to pay the allotment and call money and his shares were forfeited. Pass Journal entries.

2. From the following details, prepare a Marine Revenue Account for ABC Marine Insurance Company for the year ended 31.03.2024:

- Premium received ₹6,00,000
- Reinsurance premium ₹1,00,000
- Claims paid ₹3,00,000
- Claims outstanding ₹40,000
- Commission ₹50,000
- Operating expenses ₹70,000

3. Prepare company's final account.

From the following balance, prepare the statement of profit & loss for the year ending 31<sup>st</sup> March 2025:

	Rs.
Revenue from operation	6,00,000
Purchases	3,00,000
Wages	50,000
Office Expenses	30,000
Depreciation	20,000
Interest on loan	10,000
Tax rates	30%

Contd...

4. From the following information, ascertain the profit of a life insurance company for the year ended 31-03-2025:

	Rs.
Life fund at beginning	8,00,000
Premium received	6,00,000
Claims paid	3,50,000
Management expenses	50,000
Bonus in reduction of premium	25,000
Life fund at end	9,50,000

5. H Ltd., acquired 80% of S Ltd., for Rs.1,60,000 on the date of acquisition. S Ltd., shares capital was Rs.1,80,000 and General reserve Rs.25,000. Calculate Cost of control or Goodwill.
6. Discuss the advantages and limitations of implementing HRA in organizations.
7. Analyze the importance of CSR reporting and discuss how companies present CSR information in their annual reports.
8. H Ltd., owns 80% of s Ltd., the following are the balances as on 31-03-2025.

Particulars	H Ltd., (Rs.)	S Ltd., (Rs.)
Share Capital	5,00,000	2,00,000
General reserve	1,00,000	50,000
P&L Account	50,000	30,000
Investment in S Ltd.,	1,60,000	-
Fixed Assets	4,00,000	2,00,000
Current Assets	2,10,000	80,000

### Section C

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

9. XYZ Ltd. issued 20,000 equity shares of 10 each at a premium of ₹2 per share. The amount was payable as follows:
- ₹4 on Application
  - ₹5 on Allotment (including premium)
  - ₹3 on First and Final Call

Applications were received for 25,000 shares. Allotment was made pro-rata to 20,000 shares, and excess application money was adjusted towards allotment. A shareholder holding 400 shares failed to pay the first and final call money. The company forfeited those shares and reissued 300 of them at ₹9 per share as fully paid-up.

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10. Analyze the importance of AS 5 in maintaining consistency and comparability in financial statements. Explain how changes in accounting policies affect financial reporting.
11. The following are the Balance Sheets of X Ltd. and its subsidiary Y Ltd. as on 31<sup>st</sup> March, 2025. Balance Sheets as on 31<sup>st</sup> March, 2025

Liabilities	X Ltd. (₹)	Y Ltd. (₹)	Assets	X Ltd. (₹)	Y Ltd. (₹)
Share Capital (₹10 each)	8,00,000	4,00,000	Fixed Assets	7,20,000	3,60,000
General Reserve	1,60,000	80,000	Investments in Y Ltd.	4,80,000	–
Profit & Loss Account	1,20,000	60,000	Debtors	60,000	80,000
Bills Payable	40,000	20,000	Bills Receivable	20,000	–
Creditors	80,000	60,000	Cash and Bank	20,000	2,000
			Stock	–	1,78,000
<b>Total</b>	<b>12,00,000</b>	<b>6,20,000</b>	<b>Total</b>	<b>12,00,000</b>	<b>6,20,000</b>

Additional Information:

- X Ltd. acquired 75% shares in Y Ltd. on 1<sup>st</sup> October, 2024, when the Reserves and P&L balance of Y Ltd. were ₹60,000 and ₹40,000 respectively.
- On 31<sup>st</sup> March 2025, Y Ltd. owed ₹10,000 to X Ltd. included in creditors.
- Bills Receivable of X Ltd. include a bill of ₹10,000 accepted by Y Ltd.
- Stock of Y Ltd. includes goods costing ₹20,000 purchased from X Ltd. at an invoice price of ₹25,000.
- Goodwill, if any, is to be shown in the Consolidated Balance Sheet.

Prepare the Consolidated Balance Sheet of X Ltd. and its subsidiary Y Ltd. as on 31<sup>st</sup> March, 2025 in the prescribed format as per AS 21 – Consolidated Financial Statements, showing clearly:

- (a) Cost of Control / Goodwill,
- (b) Minority Interest, and
- (c) Capital Reserve (if any)

after making all necessary adjustments for inter-company holdings and unrealized profits.

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12. ABC Ltd. prepared its financial statements for the year ended 31<sup>st</sup> March 2025 based on historical costs. To reflect the effect of changing price levels, the company wants to restate its financial statements using the Current Purchasing Power (CPP) Method. The following information is available:

Particulars	Historical Cost (₹)	Date of Transaction	General Price Index
Opening Inventory	80,000	01-04-2024	200
Purchases	2,40,000	01-10-2024	240
Sales	4,00,000	01-02-2025	250
Closing Inventory	1,00,000	31-03-2025	260
Operating Expenses	50,000	01-01-2025	245
Plant and Machinery	1,50,000	01-04-2024	200
Equity Capital	2,00,000	01-04-2024	200

General Price Index on 31.03.2025 (Base Year Index): 260

II. Required:

1. Restate the above items to the current purchasing power as on 31.03.2025.
2. Prepare the Adjusted Income Statement for the year ended 31.03.2025 under CPP Method.
3. Determine the gain or loss in purchasing power due to holding of monetary items.

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

13. The following figures are extracted from the books of a Fire Insurance Company as on 31<sup>st</sup> March 2024:

Particulars	₹
Premium received	30,00,000
Reinsurance premium	3,00,000
Claims paid	15,00,000
Claims outstanding (beginning)	2,50,000
Claims outstanding (end)	1,50,000
Commission	2,00,000
Management expenses	4,00,000
Interest and dividend income	1,00,000
Reserve for unexpired risk (beginning)	9,00,000
Reserve for unexpired risk (end)	To be maintained at 50% of premium income

You are required to:

- Prepare the Revenue Account of the company.
- Compute the operating profit or loss for the year.

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