

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. CS - END SEMESTER EXAMINATIONS - NOVEMBER 2025

SEMESTER - III

21UBCCT3005 - Corporate Accounting-I

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. Prepare journal entries. The following extract from the balance sheet of Vijay Ltd., as on 31st December 2009 is given to you .

Particulars	₹
Equity shares Rs.10 each	20,00,000
6% Preference shares Rs.10 each	30,00,000
Capital reserve	15,00,000
General reserve	9,00,000
Profit & Loss account	25,50,000

The company exercises its option to redeem the preference shares on 1st January 2010.

2. From the following particulars of Ganga limited, Compute the managerial remuneration assuming there are two whole time directors: a part time director and manager.
1. Net profit before provision for income tax and managerial remuneration but After depreciation Rs.8,70,410.
 2. Depreciation provided in the books Rs.3,10,000
 3. Depreciation allowable under schedule XIV Rs.2,60,000
3. A company was incorporated on 1st July 2016 to acquire a running business from 1st April 2016. when accounts were finalized on 31st March 2017, the following facts were noted.
- (a) Sales for the year Rs.4,80,000
 - (b) The trends of sales were as under during the specified months, April, July, September, December – Average sales , May, August, October and February 50% average sales.

Compute the sales ratio for the purpose of ascertaining profits prior to incorporation.

4. Explain the factors affecting value of Goodwill.

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5. Prepare journal entries for purchase and cancellation of debentures.
On 1st January 'X' Ltd. has Rs.1,00,000 6% debentures. In accordance with the power under the deed, the directors acquire the debentures as follows in the open market for immediate cancellation.
1. March 1, Rs.20,000 at Rs.98 cum-interest.
 2. December 15 - Rs.10,000 at Rs.98.5 ex-interest.
- Debenture interest is payable half yearly on 30th June and 31st Dec. every year.
6. Following is the list of Balances of Lakshmi Ltd., as on 31.3.2000

Particulars	₹	Particulars	₹
Gross profit	87,050	Rent	4,000
Discount (Cr)	3,000	Sundry expenses	7,050
Furniture	17,000	P & L Appropriation (Cr)	15,000
Salaries	7,500	Dividend paid	9,000
Share capital	1,00,000	Debtors	27,500
Creditors	17,500	Plant	29,000
Bank balance	46,200	General reserve	15,500
Bills receivable	9,800	Bills payable	7,000

Prepare profit and Loss and Profit and Loss appropriation accounts for the year ending 31.3.2000, after providing for:

- (a) Depreciation at 20% on fixed assets
 - (b) Provision for doubtful debts at 5%
 - (c) Provide for 15% dividend.
7. XYZ Ltd., company was incorporated on 1st July 2018 in order to purchase a running business from 1st January 2018. From the following particulars, compute pre-incorporation loss:
- (a) Total sales for the year 2008 were ₹.1,80,000.
 - (b) Sales from 1st January 2018 to 30th June 2018 ₹.60,000.
 - (c) Gross profit for the whole year ₹.54,000.
 - (d) Establishment expenses ₹.37,000.
8. Examine the provisions of the Companies Act relating to the alteration of share capital.

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. A limited issued 40,000 equity shares of Rs.10 each payable as Rs.5 on application, Rs.3 on allotment and balance on final call. Applications were received for 50,000 shares and the allotment was made on pro-rata basis. Vasu to whom 400 shares were allotted, failed to pay the final call money and his shares were forfeited. These shares were reissued to Narayanan at Rs.8 per share. Prepare journal entries.

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10. The following underwriting took place:
A-5,000 shares; B-Rs.3,000; C-2,000 shares.
In addition, there was firm underwriting:
A-1,000 shares; B-Rs.500; C-1,500 shares.
The share issue was 10,000 shares. Total subscription including firm underwriting was 8,500 shares and the forms included the following marked forms:
A-2,000 shares; B-Rs.1,000; C-1,000 shares.
Compute the allocation of liability of the underwriters.
11. Following balances have been extracted from the books of Rama Ltd., on 31st March, 2019:

	Rs.
Equity share capital (1,00,000 shares of Rs.10 each)	10,00,000
Securities premium	2,00,000
12% Debentures	5,00,000
Creditors	2,00,000
Proposed Dividend	50,000
Surplus i.e. Balance in statement of profit and loss (debit)	50,000
Land and Building	9,00,000
Government Bonds	5,00,000
Capital Work-in-progress Building)	3,50,000
Discount on issue of 12% Debentures	1,00,000
Cash at Bank	50,000
Furniture	60,000
Debtors	20,000

Debentures were issued on 1st April, 2018 redeemable after 5 years i.e., on 31st March 2022. Surplus. i.e., Balance in statement of profit and loss is before writing off Discount on issue of Debentures. Examine the balance sheet of the company as per revised schedule.

12. Anna Ltd., was formed to take over the assets and liabilities of Mr.Ram and to acquire the adjacent premises. The balance sheet of Mr.Ram. as on 31st December 2008 was as follows:

Liabilities	₹	Assets	₹
Trade Creditors	4,000	Cash in hand	1,000
Capital	80,000	Cash at bank	6,000
		Stock	39,000
		Book Debts	9,000
		Furniture	5,000
		Land and buildings	24,000
	84,000		84,000

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The purchase consideration was agreed at ₹1,00,000 and was to be paid as follows:

- (a) 2,800 equity shares of ₹.20 each, fully paid.
- (b) ₹34,000 in 6% preference shares of ₹100 each, issued at par.
- (c) ₹10,000 in cash.

All the assets and liabilities were valued as per above balance sheet, except the book debts, which were subject to a bad debts provision of 5%.

The company raised further capital by issue of 7,500 equity shares of ₹20 each. The adjoining premises were purchased for 50,000 and additional stock of ₹70,000 was obtained from open market.

Prepare journal entries and also draft its opening balance sheet.

13. The following information is given:

- (a) Average capital employed Rs.1,50,000
- (b) Normal rate of profit 10%
- (c) Present value of annuity of Re.1 for five years at 10% as Rs.3.78
- (d) Net profits for five years:
 - 1st year -₹14,400;
 - 2nd year -₹15,400;
 - 3rd year -₹16,900;
 - 4th year -₹17,400 and
 - 5th year -₹17,900.

The profits included non-recurring profits on an average basis of Rs.1,000 out of which it was deemed that even recurring profits had a tendency of appearing at the rate of Rs.600 p.a.

You are required to examine the goodwill:

- (i) As per annuity method
- (ii) As per five years' purchase of super profit.
