

Roll.No.

21UBBCT3005

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. BIM - END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - III

21UBBCT3005 - Corporate Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. Analyze the accounting treatment for the issue of 10,000 shares of ₹10 each at a premium of ₹2, and evaluate the impact on the company's financial statements.
2. A company forfeits 1,000 shares of ₹10 each from a shareholder who failed to pay the first and final call. The shares were originally issued at a premium of ₹3 per share. How should this be recorded in the books.
3. C Ltd., issued 1000, 12% debentures of ₹100 each. Give journal entries under two situation:
 - a) Issued at par and redeemable at par.
 - b) Issued at a discount of 10% and redeemable at a premium of 10%.
4. Analyse the given information and determine the minimum fresh issue necessary to redeem the Redeemable preference share of ₹2,00,000, if it is redeemed at 10% premium.
Profit shown in the Balance sheet:
 - Profit - ₹30,000;
 - General Reserve - ₹20,000;
 - Share Premium - ₹8,000;
 - Dividend equalisation fund - ₹50,000.
5. Write a note on Dividend.
6. Calculate the value of goodwill using the Super Profit Method. The average annual profit is ₹70,000, and the normal rate of return is 10%. The capital employed is ₹6,00,000. Goodwill is valued at the 3 years purchase of super profit.
7. Analyze the role of goodwill in mergers and acquisitions. How does its valuation affect the price paid for the target company.

Contd...

8. SAN Company Ltd. passed a resolution and received court sanction for the reduction of share capital by ₹2,50,000. After the arrangement, the credit balance of the capital reduction account is ₹2,50,000. The amount was used to write off the following:

- Profit and Loss Account (Dr.): ₹1,05,000
- Tangible Assets: ₹45,000
- Goodwill: ₹20,000
- Investments: ₹40,000

The remaining balance was transferred to Capital Reserve. Analyze the impact of this capital reduction on the company's financial position and pass the journal entries to reflect these changes.

Section C

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

9. Shakura Ltd., invited the public to subscribe 10,000 equity shares of ₹100 each at a premium of ₹10 per share payment was to be made as follows: on application ₹20; on allotment ₹40 (including premium); on first call ₹30; on final call ₹20 Application totalled for 13,000 shares; applications for 2000 shares were rejected and allotment was made proportionately to the remaining applicants. The directors made both the calls and all the moneys were received except the final call on 300 shares which were forfeited. Later 200 of these forfeited shares were issued as fully paid @ ₹85 per share. Journalise these transactions.
10. The following ledger balances were extracted from the books of Varun Ltd., as on 31.3.2013: Land and building ₹2,00,000, 12% debentures ₹2,00,000, share capital ₹10,00,000 (equity shares of ₹10 each fully paid), plant and machinery ₹8,00,000, Goodwill ₹2,00,000, Investment in shares of Raja Ltd ₹2,00,000, General reserve ₹1,95,000, Stock in trade ₹1,00,000, Bills receivable ₹50,000, Debtors ₹1,50,000, Creditors ₹1,00,000, Bank loan (unsecured) ₹1,00,000, provision for tax ₹50,000, proposed dividend ₹55,000. Analyse the balances and prepare Balance sheet of the company as per Revised Schedule of the Companies Act 1956.
11. X Ltd., company issues 1000 6% debenture of ₹100 each on 1.1.2014. Interest is payable on 30 June and 31 December every year. The company purchased 100 of its debenture on 1.4.2015 at ₹98 ex-interest as investment. On 1.10.2015 the company has purchased another 100 of its debentures at ₹98 cum-interest as investment. On 31st December 2016 the company cancelled the debenture purchased on 1.4.2015. Create a comprehensive journal entry solution for debenture transaction and Pass journal entries in the books of the company.

Contd...

12. Amutha Company decided to purchase a business. Its profit for the last 5 years are: 2003 – ₹25,000; 2004 – ₹35,000; 2005 – ₹31,000; 2006 – ₹37,000; 2007 – ₹42,000. The reasonable remuneration of the proprietor of the business is ₹6,000 p.a., but it has not been taken into account for calculation of above mentioned profit. Analyze the financial data of the Company and Calculate goodwill on the basis of three years purchase of the average profit.
13. The following is the balance sheet of Weak & Co. As on 31.3.2019.

Liabilities	₹	Assets	₹
1,00,000 equity shares of ₹10 each	10,00,000	Land	1,00,000
Sundry creditors	1,73,000	Plant & Machinery	2,30,000
		Furniture & Fittings	68,000
		Stock	1,50,000
		Debtors	70,000
		Cash at Bank	5,000
		P&L A/c	5,50,000
	11,73,000		11,73,000

- a) The equity shares to be reduced to ₹4 per share.
- b) Plant and machinery to be written down to ₹1,50,000.
- c) Stock to be revalued at ₹1,40,000.
- d) The provision on debtor for doubtful debts to be created ₹2,000.
- e) Land to be revalued at ₹1,42,000.

Analyse the balance sheet of the company and Pass journal entries to give effect to the above arrangement and also prepare reconstruction A/c.
