

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

**23UCCCT3004 - Corporate Accounting-I**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

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

1. Explain different types of preference shares.
2. Bharat Ltd., issued 1,50,000 equity shares. The whole of the issue was underwritten as follows:  
X – 50%, Y – 25% and Z – 25%  
Applications for the 1,20,000 shares were received in all, out of which applications for 30,000 shares and the stamp of X, those for 15,000 shares that of Y and those for 30,000 shares that of Z. The remaining applications for 45,000 shares did not bear any stamp. Determine the liability of the underwriters.
3. Symcox Ltd., issued 75,000 equity shares of Rs.10 each and 5,000 redeemable preference shares of Rs.100 each all shares being fully called and paid up on 31.3.2020. Profit and Loss account showed undistributed profits of Rs.3,00,000 and General reserve stood at Rs.2,50,000. On 1.4.2020, the directors decided to redeem the existing preference shares at Rs.105 utilising as much profits as would be required for the purpose.  
You are required to pass journal entries in the books of the company.
4. Timex Ltd., issued 1,000 8% debentures of Rs. 100 each. Give appropriate journal entries in the books of the company, if the debenture were issued as follows:
  - 1) Issued at par, redeemable at par
  - 2) Issued at a discount of 5%, repayable at par
  - 3) Issued at a premium of 10%, repayable at par
  - 4) Issued at par, redeemable at a premium of 10%
  - 5) Issued at a discount of 5%, repayable at a premium of 10%

**Contd...**

5. From the following balances, prepare the Balance Sheet of a company as per Revised Schedule VI, Part I of the Companies Act.

	Rs.
Goodwill	1,50,000
Investments	2,00,000
Share capital	5,00,000
Reserves	1,10,000
Securities premium	15,000
Preliminary expenses	10,000
Profit and Loss A/c (Cr.)	25,000
Debentures	2,50,000
Other fixed assets	4,70,000
Stock	80,000
Debtors	60,000
Bank balance	30,000
Unsecured loan	65,000
Sundry creditors	35,000

6. The profits of Thilaga Ltd., for the last 5 years were as follows:

	Rs.
2014	15,000
2015	18,000
2016	22,000
2017	25,000
2018	27,000

Compute the value of goodwill of Thilaga Ltd., on the basis of 4 years purchase of weighted average profit after assigning weights 1,2,3,4 and 5 serially to the profits.

7. The following is the Balance Sheet of NSC Ltd., as on 31<sup>st</sup> Dec. 2020

Liabilities	Rs.	Assets	Rs.
4,000 10% pref. Shares of Rs.100 each	4,00,000	Sundry assets at book value	12,00,000
60,000 equity shares of Rs.10 each	6,00,000		
Bills payable	50,000		
Creditors	1,50,000		
	12,00,000		12,00,000

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The market value of 60% of the assets is estimated to be 15% more than the book value and that of the remaining 40% at 10% less than the book value. There is an unrecorded liability of Rs.10,000.

Find the value of each equity share (it is to be assumed that preference shares have no prior claim as to payment of dividend or to repayment of capital).

8. "Accounting Standards provide a set of standard accounting policies" – Justify the statements with the objectives of Indian Accounting Standards.

### **Section C**

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

9. James & Co., Ltd., offered 25,000 shares of Rs.10 each to the public on the following terms:

Rs.2.50 to be paid on application

Rs.3.00 to be paid on allotment

Rs.2.00 to be paid two months after allotment and

Rs.2.50 to be paid three months after the first call.

The public applied for 22,000 shares which were allotted, the allotment taking place on 1<sup>st</sup> April 2021. All money due on allotment was received by 15<sup>th</sup> May 2021. Calls were duly made but a shareholder holding 500 shares failed to pay the calls. Make entries in the journal. Also prepare balance sheet.

10. On 1.1.2018, issues 4,000 12% Debentures of Rs.100 each repayable at the end of four years at a premium of 5%. It has been decided to institute a Sinking Fund for the purpose, the investments being expected to realise 4% net. Sinking fund tables show that 0.235490 amounts to Rs.1 @ 4% in four years. Investments were made in multiples of hundred only.

On 31.12.2021, the balance at bank was Rs.1,18,000 and the investments realised Rs.3,13,600. The debentures were paid off. Give journal entries and show ledger accounts (Except for debenture interest).

11. Moon and Star Co. Ltd., is a company with an authorized capital of Rs.5,00,000 divided into 5,000 equity shares of Rs.100 each on 31.12.2021 of which 2,500 shares were fully called up. The following are the balances extracted from the ledger as on 31.12.2021.

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**Trial Balance of Moon & Star Co. Ltd.**

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Sales	3,25,000
Purchases	2,00,000	Discount received	3,150
Wages	70,000	Profit & Loss A/c	6,220
Discount allowed	4,200	Creditors	35,200
Insurance (upto 31.3.2022)	6,720	Reserves	25,000
Salaries	18,500	Loan from managing director	15,700
Rent	6,000	Share capital	2,50,000
General expenses	8,950		
Printing	2,400		
Advertisements	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debts	3,200		
Calls-in-arrears	5,000		
	6,60,270		6,60,270

You are required to prepare statement of profit and loss for the year ended 31.12.2021 and a balance sheet as on that date. The following further information is given:

- a) Closing stock was valued at Rs.1,91,500
- b) Depreciation on plant at 15% and on furniture at 10% should be provided
- c) A tax provision of Rs.8,000 is considered necessary
- d) The directors declared an interim dividend on 15.8.2021 for 6 months ending June 30, 2021 @ 6%.
- e) Provide for corporate dividend tax @ 17%

12. A firm earned net profits during the last three years as follows:

I year – Rs.36,000; II year – Rs.40,000 and III year – Rs.44,000. The capital investment of the firm is Rs.1,00,000. A fair return on the capital, having regard to the risk involved, is 10%. Calculate the value of goodwill on the basis of 3 years' purchase of super profit.

13. Briefly explain any FIVE Accounting Standards followed in India.

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