Reg. No. | | | | | | | | |

G. VENKATASWAMY NAIDU COLLEGE (AUTONOMOUS), KOVILPATTI – 628 502.

UG DEGREE END SEMESTER EXAMINATIONS - NOVEMBER 2025.
(For those admitted in June 2023 and later)

PROGRAMME AND BRANCH: B.Com.

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
III	PART - III	CORE - 5	U23CO305	CORPORATE ACCOUNTING-I

Date & Session:07.11.2025/AN **Time : 3 hours** **Maximum: 75 Marks**

Course Outcome	Bloom's K-level	Q. No.	**SECTION – A (10 X 1 = 10 Marks)** Answer ALL Questions.
CO1	K1	1.	The difference between subscribed capital and called-up capital is called. a) Uncalled capital b) Calls-in-arrear c) Paid-up capital d) Calls-in-advance
CO1	K2	2.	When shares are forfeited, the share capital a/c is debited by. a) Paid-up capital b) Called-up amount c) Calls-in-arrear d) Nominal value of such shares
CO2	K1	3.	Capital Redemption Reserve is created. a) Out of share forfeiture a/c b) To meet legal requirements c) Out of securities premium a/c d) voluntarily
CO2	K2	4.	After redemption of debentures, the balance in the Sinking Fund a/c is transferred to. a) Secret reserve b) General reserve c) Capital reserve d) Profit & Loss A/c
CO3	K1	5.	Preliminary expenses written off is shown in the statement of profit and loss under. a) Employees benefit expenses b) Other expenses c) Finance costs d) Depreciation and amortisation expenses
CO3	K2	6.	Dividend is paid on__________. a) Authorised capital b) Issued capital c) Called up capital d) Paid up capital
CO4	K1	7.	Under Net Assets method, the value of a share depends on the amount that would be available to __________. a) Preference shareholders b) Equity shareholders c) Creditors d) Debentureholders

CO4	K2	8.	Super profit is the difference between ________. a) Capital employed and Average capital employed b) Average profit and normal profit c) Current year profit and last year profit d) the three years' purchase of average profit
CO5	K1	9.	Inventories should be valued at _________. a) cost b) Net realisable value c) cost or net realisable value whichever is lower d) Market price
CO5	K2	10.	Disclosure of Accounting Policies is dealt in _______. a) AS-2 b) AS-1 c) AS-5 d) AS-19
Course Outcome	**Bloom's K-level**	**Q. No.**	**SECTION – B (5 X 5 = 25 Marks)** **Answer ALL Questions choosing either (a) or (b)**
CO1	K3	11a.	Batliboi Co. Ltd., issued 50,000 equity shares of Rs. 10 each to the public on condition that full amount of shares will be paid in a lump sum. All these shares were taken up and paid by the public. Pass journal entries in the books of company when (a) Shares are issued at par (b) Shares are issued at premium of 10% and (c) Shares are issued at a discount of 10% **(OR)**
CO1	K3	11b.	A Company issues 10,000 equity shares of Rs. 10 each at par. The issue was underwritten by K & Co. for maximum commission permitted by law. The public applied for and received 8,000 shares. Give journal entries in the Company's books.
CO2	K3	12a.	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 31.3.2022. Profit & Loss Account showed undistributed profits of Rs. 3,00,000 and General Reserve stood at Rs. 2,50,000. On 1.4.2022, 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 company. **(OR)**
CO2	K3	12b.	Hamid Pasha Ltd. obtained an overdraft of Rs. 5,00,000 from bank for which the company issued 7,000 12% debenture of Rs. 100 each as collateral security. Show how the items appear in the Balance Sheet, if (a) the issue of debentures need not be recorded in the books (b) the issue of debentures must be recorded in the books.
CO3	K4	13a.	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; Securities Premium Rs. 15,000; Preliminary expenses 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 balance Rs. 30,000; Unsecured loan Rs. 65,000; Sundry Creditors Rs. 35,000. **(OR)**

CO3	K4	13b.	From the following particulars, determine the maximum remuneration available to a full time director of a manufacturing company. The profit & loss account of the company showed a net profit of Rs. 40,00,000 after taking into account the following terms: a) Depreciation (including special depreciation of Rs. 40,000) — Rs. 1,00,000 b) Provision for income tax — 2,00,000 c) Donation to political parties — 50,000 d) Ex-gratia payment to a worker — 10,000 e) Capital profit on sale of assets — 15,000
CO4	K4	14a.	A firm earned net profits during the last three years as follows : Rs. I year 36,000 II year 40,000 III year 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, is10%. Calculate the value of goodwill on the basis of 3 years' purchase of super profit. **(OR)**
CO4	K4	14b.	The following is the Balance Sheet of NSC Ltd. as on 31st December, 2023.

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

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.

CO5	K5	15a.	Illustrate the significance of accounting standards. **(OR)**
CO5	K5	15b.	How are 'inventories' defined in AS-2, Valuation of inventories?

Course Outcome	Bloom's K-level	Q. No.	**SECTION – C (5 X 8 = 40 Marks)** **Answer ALL Questions choosing either (a) or (b)**
CO1	K3	16a.	A Ltd. invited applications for 10,000 shares of Rs. 100 each at a discount of 5% payable as follows : On application Rs. 25 On allotment Rs. 34 On first & final call Rs. 36 Applications were received for 9,000 shares and all of these were accepted. All moneys due were received except the first and final call

			on 100 shares which were forfeited. Of the forfeited shares, 50 shares were reissued at the rate of Rs. 90 as fully paid. Show necessary journal entries in the books of the company.
			(OR)
CO1	K3	16b.	K.K.R. Ltd. issued 1,20,000 Preference Shares of Rs. 10 each. The whole issue was underwritten by Malan for maximum Commission Permitted by law. Applications for 1,00,000 shares were received in all. Determine the net liability for Malan and Commission payable to him.
CO2	K4	17a.	A Company has 10,000 9% redeemable preference shares of Rs. 100 each fully paid. The company decides to redeem the Preference Shares at premium of 10%. The Company makes the following issues : (i) 6,000 equity shares of Rs.100 each at a premium of 10%. (ii) 4,000 8% Debentures of Rs.100 each The issue of fully subscribed and allotments were made. The redemption was duly carried out. The company has sufficient profits. You are required to give the necessary entries.
			(OR)
CO2	K4	17b.	Moon Rays Ltd. Issued 50,000 8% debentures of Rs.10 each to the public at par, to be paid Rs. 4 on application and the Balance on allotment. Applications were received for 48,000 debentures. Allotment was made to all the applicants and the amount due was received promptly. Give Journal entries to record the transactions and show how they appear in the Balance Sheet of the company.
CO3	K4	18a.	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 31.12.2023 of which 2,500 shares were fully called up. The following are the balances extracted from the ledger as on 31.12.2023.

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 31.3.24)	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 & Loss for the year ended 31.12.2023 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 15.8.2023 for 6 months ending June 30, 2023 @6%
(e) Provide for corporate dividend tax @ 17%.

(OR)

CO3 | K4 | 18b.

The Silver Ore Co. Ltd. was formed on 1.4.2023 with an authorised capital of Rs.6,00,000 in shares of Rs.10 each of these 52,000 shares had been issued and subscribed but there were calls in arrears on100 shares. From the following trial balance as on 31st March 2024, prepare Statement of Profit & Loss and the Balance Sheet.

	Rs.		**Rs.**
Cash at bank	1,05,500	Share Capital	5,19,750
Plant	40,000	Sale of silver	1,79,500
Mines	2,20,000	Interest on F.D.	
Promotion expenses	6,000	upto Dec.31	3,900
Advertising	5,000	Dividend on	
Cartage on plant	1,800	investment	3,200
Furniture & Buildings	20,900		
Administrative	28,000		
expenses	900		
Repairs to plant	6,500		
Coal and oil	10,000		
Royalties paid	17,000		
Railway track &	74,220		
wagons	530		
Wages of miners	80,000		
Cash			
Investment – shares of	1,000		
tin mines			
Brokerage on above			
6% F.D. in Syndicate	89,000		
Bank			
	7,06,350		**7,06,350**

Adjustments :

(i) Depreciation Plant and Railways by 10%; Furniture & Building by 5%.
(ii) Write off a third of the promotion expenses
(iii) Value of Silver Ore on 31st March 2024 Rs. 15,000

The directors forfeited on December 20, 2023, 100 shares on which only Rs.7.50 has been paid.

CO4 | K5 | 19a.

The following is the Balance Sheet of Mr. Chauhan as on 30th September, 2023.

Liabilities	**Rs.**	**Assets**	**Rs.**
Capital	1,64,000	Land &	
General		Buildings	36,000
reserve	40,000	Plant	54,000
Creditors	38,040	Investments	30,000
		Stock	26,850
		Bank	75,990
		Debtors	19,200

	2,42,040		2,42,040

The following were the net profits for the years ended

	Rs.
30th September, 2021	32,280
30th September, 2022	36,870
30th September, 2023	43,350

The above amounts include income from investments Rs. 1,800 each year.

You are required to value the goodwill of the above business at 2 years purchase of the average super profit for 3 years, taking into account the fact that the standard rate of return on capital employed in such type of business is 10%.

(OR)

CO4 | K5 | 19b. From the following information, compute the "Intrinsic Value" of an equity share of Sunny Ltd.

Liabilities	Rs.	Assets	Rs.
2,000 equity shares of Rs.100 each, fully paid	2,00,000	Land & Building	80,000
2,000 6% Preference Shares of Rs.10 each	20,000	Plant & Machinery	80,000
General Reserve	50,000	Book debts	10,000
5% Debentures of Rs.100 each	20,000	Stock-in-trade	40,000
Sundry Creditors	20,000	Cash & Bank balance	70,000
		Investment in 5% Govt. Securities	20,000
		Preliminary expenses	10,000
	3,10,000		**3,10,000**

(i) Fair return on capital employed in this type of business is 10% p.a.
(ii) Goodwill is to be taken at 4 years purchase value of super profits
(iii) Average of the profits (after deduction of preliminary expenses) for the last seven years is Rs.38,000. Preliminary expenses to the extent of Rs.2,000 has been written off every year for the last seven years. Profit is more or less stable over years and the same trend is expected to be maintained in the near future. Ignore taxation.

CO5 | K5 | 20a. Evaluate the procedure for 'Formulation' and 'Issuing' accounting standards.

(OR)

CO5 | K5 | 20b. How would you prepare 'consolidated financial statements'?