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., PROFESSIONAL ACCOUNTING

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
III	PART - III	CORE - 5	U23PA305	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 profit on re-issue of forfeited shares is transferred to __________. a) General reserve b) Capital redemption reserve c) Capital reserve d) profit & Loss A/c
CO1	K2	2.	If a part of the issue of shares is underwritten, it is termed as ______ underwriting. a) Partial b) Complete c) firm d) none of the above
CO2	K1	3.	The premium on redemption of preference shares can be provided out of ______. a) Insurance fund b) Depreciation Reserve c) Forfeited shares a/c d) Securities premium
CO2	K2	4.	The balance of sinking fund investment a/c after the realization of investments is transferred to ________. a) Profit & Loss A/c b) Debenture A/c c) Sinking Fund A/c d) Bank A/c
CO3	K1	5.	Payment of wages and salaries is shown in the statement of profit and loss under _____ a) Other expenses b) Finance costs c) Employees benefit expenses d) Depreciation and amortised expenses
CO3	K2	6.	Amount realized from sale of goods is shown in the statement of profit and loss as ____. a) Other income b) Revenue from operations c) Changes in inventories d) Cost of goods consumed
CO4	K1	7.	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) Current year profit and previous year profit
CO4	K2	8.	Under Net Assets method, the value of share depends on the amount that would be available to __________. a) Preference Shareholders b) Debenture holders c) Creditors d) Equity Share holders

CO5	K1	9.	Which of the following is not included in inventory under AS – 2? a) Stock of stores and spare parts b) Stock of raw materials c) Stock of finished goods d) Work-in-progress arising under construction contracts
CO5	K2	10.	Cash flow statements are discussed under which accounting standard? a) AS 10 b) AS 14 c) AS 21 d) AS 7
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.	A Ltd. issued 10,000 equity shares of Rs. 10 each payable as under: Rs.2 on Application Rs.5 on Allotment Rs.3 on first & final call The public applied for 8,000 shares which are allotted. All the money due on shares was received except the first and final call on 100 shares. Out of these forfeited shares, 60 shares were reissued at Rs.8 per share. Show the journal entries in the books of the company. **(OR)**
CO1	K3	11b.	X Ltd., forfeited 30 shares of Rs.10 each fully called up, held by Mr. K for the non Payment of allotment money of Rs.3 per share and final call of Rs.4 per share. He paid the application money of Rs.3 per share. These shares were forfeited. These forfeited shares were reissued to Mr. S for Rs.8 per share. Pass journal entries for forfeiture and reissue of shares.
CO2	K3	12a.	The balance sheet of X Ltd., as on 31.03.2021 was as follows.

Liabilities	Rs	Assets	Rs
Share capital;			
50,000 Equity shares of Rs.10 each, fully paid	5,00,000	Sundry assets	9,20,000
4,000 Redeemable Preference shares Rs.100 each fully paid	4,00,000	Bank balance	6,00,000
Profit and loss A/c	5,20,000		
Creditors	1,00,000		
	15,20,000		15,20,000

On the above date, the preference shares were redeemed at a premium of 10%. Pass the journal entries.

(OR)

CO2	K3	12b.	Kumar Ltd., issued 1000 8% debentures of Rs.100 each. Give journal entries in the books of the company, if the debentures were issued as follows: 1. Issued at a discount of 5%, repayable at par 2. Issued at a premium of 10%, repayable at par 3. Issued at par, redeemable at a premium 10% 4. Issued at a discount of 5%, repayable at a premium of 10%

CO3	K4	13a.	Prepare a Balance sheet of Raman Ltd., as on 31.03.2020 as per revised schedule VI, Part I of the Companies Act 2013.

Particulars	Rs.	Particulars	Rs.
Debtors	75,000	10% Debentures	20,000
Creditors	60,000	Land & Building	1,00,000
Paid up share capital	1,00,000	Plant & Machinery	25,000
Goodwill	12,500	P & L a/c (Cr)	60,000
Preliminary expenses	7,500	General reserve	40,000
Stock	20,000	Bank loan	20,000
Investments	30,000	Bills receivables	25,000
Cash in hand	5,000	Bills payable	20,000
Bank	7,500	Loans to managing director	12,500

(OR)

CO3	K4	13b.	From the following particulars, determine the managerial remuneration available to a full time director of a manufacturing company.

i) The profit and loss account of the company showed a net profit of Rs.40,00,000 after taking into account the following items.
ii) Depreciation (including special depreciation Rs.40,000) Rs. 1,00,000
iii) Provision for income tax Rs. 2,00,000
iv) Donation to political parties Rs. 50,000
v) Ex – gratia payment to a worker Rs. 10,000
vi) Capital profit on sale of assets Rs. 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 involves, is 10%
Calculate the value of goodwill on the basic of 3 years' purchase of super profit.

(OR)

CO4	K4	14b.	The following is the Balance Sheet of X Ltd. As on 31st Dec.2022

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.	Describe the objectives of Indian Accounting Standards. **(OR)**
CO5	K5	15b.	Explain the meaning of 'Operating activities', 'Investing activities', and 'Financing activities' in the context of IND AS – 7, 'Cash Flow Statement'.

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 equity shares of Rs. 100 each at a premium of Rs. 10 per share. Payment was to be made as follows: On Application Rs.20 per share On Allotment Rs.40 per share (including premium) On first call Rs.30 per share On final call Rs.20 per share Applications totaled for 13,000 shares. Applications for 2,000 shares were rejected and allotment of shares was made proportionately to the remaining applicants. The directors made both the calls and all the moneys received except the final call on 300 shares which were forfeited after the required notices were served. Later 200 of the forfeited shares were reissued as fully paid @ Rs.85 per share. Journalise the transactions and prepare the balance sheet. **(OR)**
CO1	K3	16b.	J Ltd., issued 20,000 shares which were underwritten as follows: A-12,000 shares B- 5,000 shares and C- 3,000 shares The underwriters made applications for firm underwriting as under:A-1,600 shares B- 600 shares and C- 2,000 shares The total subscriptions excluding firm underwriting but including marked applications were for 10,000 shares. The marked applications were as under: A- 2,000 shares B- 4,000 shares and C- 1,000 shares You required to show the allocation of liability of underwriters.
CO2	K4	17a.	Taylor Ltd., has an authorised capital of Rs.8,00,000 comprising 2,000 6% Redeemable Preference share of Rs.100 each and 6,000 Equity shares of Rs.100 each. The Preference shares are Redeemable on 31st July 2022 at a premium of 10%.The summarised balance sheet of the company as on 30.06.2022 was as under:

Liabilities	Rs	Assets	Rs
Share capital; Authorised: 6,000 Equity shares of Rs.100 each 2,000 Preference shares Rs.100 each Paid up capital Profit and loss A/c Creditors 2,500 Equity shares ofRs.100 each	6,00,000 2,00,000 32,000 40,000 2,50,000	Sundry assets Bank Investments	3,50,000 72,000 40,000

			1,000 6% Redeemable Preference shares Rs.100 each Capital reserve General reserve	1,00,000 10,000 30,000 4,62,000		4,62,000

The necessary resolution was duty passed and the following transactions were carried through.

i. To provide cash repayment of redeemable preference shares, the investment were sold for Rs.50,000 and 500 equity shares of Rs.100 in full. All moneys were duly received.

ii. The redeemable Preference Shares were duly redeemed.

You are required to pass the necessary journal entries in the books of company and prepare the amended balance sheet.

CO2 | K4 | 17b.

(OR)

Krishna Ltd. Which had Rs.50,00,000 10% debentures outstanding, made the following purchases in the open market for immediate cancellation:

01.04.2022 1,000 debentures of Rs.100 each at Rs.99.
01.09.2022 2,000 debentures of Rs.100 each at Rs.97.

You are required to give the journal entries for purchase and cancellation of the Debentures.

a. If the above purchase rates are 'Ex-interest'

b. If the above purchase rates are 'Cum-interest'. Assume that interest is payable every year on 30th June and 31st December.

CO3 | K4 | 18a

The following Trial balance of Nallis Ltd. as on 31th December.2022 is given to you.

Debits	***Rs.***	***Credits***	***Rs.***
Stock (01.01.2022)	80,000	8,000 equity shares of Rs.100 each, Rs.75 paid	6,00,000
Bank	17,600	6% debentures	2,00,000
Patents	60,000	Sundry creditors	1,00,000
Calls in arrears	20,000	General reserve	80,000
Returns inwards	30,000	Sales	10,00,000
Purchases	7,72,000	Return outward	20,000
Wages	1,08,000	P & L A/c (Cr)	12,000
Insurance prepaid	400		
Bills receivable	30,000		
Sundry debtors	80,000		
Discount on issue of debentures	10,000		
Plant & Machinery	4,00,000		
Land & buildings	3,00,000		
Insurance	4,000		
General expenses	40,000		
Establishments expenses	60,000		
	20,12,000		20,12,000

Additional information:

i. The value of stock on 31st December 2022 was Rs.74,000

ii. Outstanding wages totaled Rs.10,000

iii. A provision 5% is to be created on sundry debtors for doubtful debts.

			iv. Depreciate patents @ 10% and plant & Machinery @ 7.5% and on land and Land & Buildings @ 4% You are required to prepare statement of Profit & loss for the year ended 31.12.2022 and Balance Sheet as on that date. **(OR)**
CO3	K4	18b	The following balances are extracted from the book of Chandra Ltd. for the year ended march 31st 2020.

Particulars	***Rs.***	***Particulars***	***Rs.***
Buildings	6,00,000	Sundry creditors	3,50,000
Furniture	60,000	Profit and Loss A/c (Cr)	20,000
Motor vehicles	60,000	Gross profit	10,00,000
Equity share of companies	4,00,000	Dividend received on investments	10,000
Stock in trade	4,00,000	Salaries and wages	2,20,000
Sundry debtors	2,80,000	Directors. Fees	8,000
Cash at bank	1,72,000	Electricity charges	25,000
Advances against construction of building	1,30,000	Rates, taxes and insurances	10,000
Share capital – 10,000 Equity shares of Rs.100 each	10,00,000	Auditor's fees	15,000

Prepare statement of Profit & loss account of the company for the year ended 31.03.2020 and Balance Sheet as on that date. After the following adjustments:

a. Provide 10% depreciation per annum on fixed assets.
b. Stock has been revalued as Rs.3,60,000. This has not yet been considered.
c. Debts more than 6 months are Rs.80,000.
d. Ignored provision for tax.

CO4	K5	19a	On 31st December, 2022, the balance sheet of a limited company disclosed the following position.

Liabilities	**Amount**	**Asset**	**Amount**
Issued capital - Rs 10 per share	1,60,000	Fixed Assets	2,00,000
Profit & Loss A/c	8,000	Current Assets	80,000
Reserves	36,000	Goodwill	16,000
5% Debentures	40,000		
Current liabilities	52,000		
Total	**2,96,000**	**Total**	**2,96,000**

On December 31, 2022, the fixed assets were independently valued at Rs 1,40,000 and the goodwill at Rs 20,000. The net profits for the three years were: 2020 – Rs 20,640; 2021 – Rs 20,800 and 2022 – Rs 20,660 of which 20% was placed to reserve, this proportion being considered reasonable in the industry in which the company is engaged and where a fair return on investment may be taken at 10%. Compute the value of the company's share by (a) the net assets method and (b) the yield method

(OR)

CO4	K5	19b	From the following information, compute the value of goodwill as per 1. 3 years purchase of average profit 2. 3 years purchase of super profit 3. Capitalization of super profit 4. Annuity method a. Average capital employed Rs. 1000000 b. Normal rate of profit 10% c. Profits: 2020- Rs.140000, 2021 – Rs. 122000, 2022 – Rs.170000 Profits for 2021 have been arrived at after writing off abnormal loss of Rs.10000 and profits of 2022 include a non – recurring income of Rs. 22000. The present value of Re. 1 for 3 years at 10% is Rs.2.4868.
CO5	K5	20a	Describe the procedure for formulation and issuing of accounting standards. **(OR)**
CO5	K5	20b	How should inventories be measured as per IND AS2, Valuation of Inventories?