

KAMARAJ COLLEGE (Autonomous)

Accredited with A+ Grade by NAAC

(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

(6 Pages)

Reg. No:.....

Question Code: 26E00405

Course Code : 24UMCO31/24UMCR31/
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UG Degree - End Semester Examinations, April 2026
Third Semester

B.Com/B.Com Corporate Secretaryship/ B.Com Banking and E-
Commerce/B.Com Banking and Finance

Corporate Accounting

(For those who joined in July 2024 onwards)

Time : 3Hours

Maximum : 75 Marks

PART - A (10 × 1 = 10 Marks)

Answer ALL Questions

Choose the correct answer :

- CO:1 1. The excess amount received over the face value of shares is
K:1 transferred to _____
- (a) Profit and Loss Account (b) Capital Reserve
(c) Share Premium Account (d) General Reserve
- CO:1 2. The risk of not receiving subscription for the whole issue of
K:2 shares is borne by _____
- (a) Auditors (b) Directors
(c) Underwriters (d) Creditors
- CO:2 3. Capital Redemption Reserve is created when preference
K:1 shares are redeemed out of _____
- (a) Fresh Issue of Shares (b) Free Reserves
(c) Securities Premium (d) Bonus Issue
- CO:2 4. A debenture is a _____
K:2
- (a) Share in a company (b) Loan certificate
(c) Dividend warrant (d) Reserve fund
- CO:2 5. Balance Sheet as per Companies Act 2013 is prepared in
K:2 _____
- (a) Horizontal form (b) T-form
(c) Vertical form (d) Any form

- CO:3 6. Managerial remuneration cannot exceed _____
 K:1 (a) 5% of net profit (b) 10% of net profit
 (c) 11% of net profit (d) 15% of net profit
- CO:3 7. Goodwill is regarded as _____
 K:2 (a) Tangible Asset (b) Intangible Asset
 (c) Current Asset (d) Fictitious Asset
- CO:4 8. Super Profit = _____
 K:2 (a) Average Profit – Normal Profit (b) Average Profit + Normal Profit
 (c) Normal Profit – Average Profit (d) Net Profit – Losses Profit
- CO:4 9. IFRS stands for _____
 K:2 (a) Indian Financial Reporting Standard
 (b) Indian Financial Reserve Scheme
 (c) International Financial Reporting Standard
 (d) International Financial Reserve System
- CO:5 10. Indian Accounting Standards are issued by _____
 K:2 (a) SEBI (b) RBI
 (c) ICAI (d) IRDA

PART - B (5 X 5 = 25 Marks)

Answer ALL Questions choosing either (a) or (b).

Answer should not exceed 250 words.

- CO:1 11. (a) Bharat Ltd. Issued 1,50,000 equity shares. The whole
 K:4 issue was underwritten as follows.

X – 50% ; Y – 25% ; Z – 25%

Applications for 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.

Examine the liability of the underwriters.

(OR)

- (b) Distinguish between Rights Shares and Bonus Shares.

CO:2 12. (a) A company issued 5,000 preference shares of ₹100
K:4 each, redeemable at 10% premium. Redemption made out of fresh issue of equity shares. Pass journal entries.

(OR)

(b) Contrast Capital Redemption Reserve and State its significance.

CO:3 13. (a) From the following balances, prepare the Balance Sheet
K:4 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/e (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)

(b) Analyze how is managerial remuneration computed as per Companies Act 2013.

CO:4 14. (a) From the following information calculate the value of
K:4 goodwill on the basis of 3 years purchase of super profit.

- i. Average capital employed in the business is Rs. 20,00,000
- ii. Rate of interest expected from capital having regard to the risk involved is 10%
- iii. Net trading profits of the firm for the past three years were Rs. 3,50,400; Rs.2,80,300 and Rs.3,10,100.
- iv. Fair remuneration to the partners for their services is Rs. 48,000 per annum.

Sundry assets of the firm are Rs.23,50,400 and current liabilities are Rs.95,110.

(OR)

(b) Distinguish between Average Profit and Super Profit Method.

CO:5 15. (a) Examine in detail about the objectives and significance
K:4 of Indian Accounting Standards.

(OR)

(b) Examine the treatment of inventories as per Ind AS 2.

PART - C (5 X 8 = 40 Marks)

Answer ALL Questions choosing either (a) or (b).

Answer should not exceed 500 words.

CO:1 16. (a) Shakura Ltd., invited the public to subscribe 10,000 equity
K:6 shares of Rs.100 each at a premium of Rs.10 per share
payment was to be made as follows: On application Rs.20, On
allotment Rs.40 (including premium), On first call Rs.30, On
final call Rs.20.

Applications were received for 13,000 shares,
applications for 2,000 shares were rejected and allotment
was made respectively to the remaining applicants. The
directors made both the calls and all the money was received
except the final call on 300 shares which were forfeited. Later
200 of these forfeited shares were reissued as fully paid at Rs.
85 per share.

(OR)

(b) Enumerate in detail about the underwriting of shares and its
types.

CO:2 17. (a) A company has 4000, 7% redeemable preference shares of
K:6 Rs.100 each fully paid. The company decides to redeem the
shares on 31st Dec 2017 at a premium of 5%. The company
has sufficient profits. The following issue are made for the
redemption purpose:

i) 1000, equity shares of Rs.100 each at a premium of 10%

ii) 1000, 5% debentures of Rs.100 each.

The issue was fully subscribed and all the amounts were received. The redemption was duly carried out. Pass journal entries.

(OR)

- (b) Show by means of journal entries the following at the time of issue on 1-1-2015 and redemption after 6 years on 31-12-2020:
- i. P Ltd. Issues 40,000 12% Debentures of Rs. 100 each at a discount of 5% to be redeemed at par at the end of sixth year.
 - ii. Q Ltd. Issues 20,000 12% Debentures of Rs. 100 each at a discount of 5% to be redeemed at a premium of 5% at the end of sixth year.
 - iii. R Ltd. Issues 30,000 13% Debentures of Rs. 100 each at par, to be re- deemed at a premium of 4% at the end of the sixth year.

CO:3 18. (a) The following ledger balances were extracted from the books
K:6 of Varun Ltd. As on 31.3.2013:

Land & building Rs.2,00,000; 12% Debentures Rs.2,00,000; Share capital -Rs. 10,00,000 (equity shares of Rs.10 each fully paid up; Plant & machinery

Rs.8,00,000; Goodwill Rs.2,00,000 ; Investment in shares of Raja Ltd. Rs2.00,000; General reserve - Rs. 1,95,000; Stock in trade Rs. 1.00,000; Bills receivable Rs 50,000; Debtors Rs. 1,50,000; Creditors Rs.1,00,000; Bank loan (unsecured) Rs.1,00,000; Provision for tax - Rs.50,000; Proposed dividend -Rs.55,000.

Prepare the Balance sheet of the company as per Revised Schedule V Part I of the Companies Act 2013.

(OR)

- (b) Explain the format of Balance Sheet under Schedule III.

CO:4 19. (a) The issued share capital of a company was Rs. 10,00,000
K:6 consisting of 10,000 equity shares of Rs. 100 each. The net profits for the last 5 years were: Rs. 1,00,000; Rs. 80,000; Rs. 1,20,000; 1,60,000 and Rs. 1,40,000 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 investment return may be taken at 12%. Compute the value of the company's share by the yield value method.

(OR)

(b) Explain methods of valuation of goodwill.

CO:5 20. (a) Explain the procedure followed in India for the formulation
K:6 and implementation of accounting standards.

(OR)

(b) Explain Cash Flow Statement and the classification of cash flows under operating, investing and financing activities as per Ind AS 7.