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B.Com. (CBCS) DEGREE EXAMINATION, APRIL 2026.

Third Semester

Commerce — Core

Commerce/Professional Accounting/Banking and Finance/Banking and E-Commerce/Corporate Secretaryship

CORPORATE ACCOUNTING – I

(For those who joined in July 2023 only)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

1. The amount received over and above the face value of shares is called ——————.

   (a) share capital (b) share premium

   (c) share discount (d) profits

2. The difference between subscribed capital and called-up capital is called ——————.

   (a) paid-up capital

   (b) uncalled capital

   (c) calls-in-arrears

   (d) calls-in-advance

3. Transfer to capital redemption reserve a/c can be made from ——————.

   (a) general reserve

   (b) share premium a/c

   (c) capital reserve

   (d) capital profit

4. Dividends can be paid only out of

   (a) pre-incorporation profit

   (b) share premium

   (c) current year's profit

   (d) capital redemption reserve

5. Advance payment of tax is in the nature of

   (a) Assets (b) Revenue

   (c) Liability (d) Prepaid

6. Preference share in India is issued by a company for a maximum period of

(a) 10 years (b) 15 years

(c) 20 years (d) unlimited

7. If the average profit is more than the expected normal profit, the difference is termed as ————.

(a) super profit (b) capital profit

(c) net profit (d) gross profit

8. For calculating the value of an equity share by yield method, it is essential to know

(a) Expected rate of return

(b) Called up equity share capital

(c) Capital employed

(d) None of these

9. Which of the following is not a component of property, plant and equipment under Indian As 16?

(a) Land (b) Building

(c) Machinery (d) Intangible assets

10. Accounting standard for fixed assets ————.

(a) As 6 (b) As 10

(c) As 3 (d) As 2

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Write a brief note on 'Forfeiture of shares'.

Or

(b) X Limited issued 10,000 equity shares of Rs. 10 each. The issue was underwritten as follows :

A – 30%, B – 30%, C – 20%

However the company received application for 8,000 shares only.

Determine the liability of the respective underwriters.

12. (a) What are the purpose of issuing debenture?

Or

(b) In 2023 Y Ltd. redeemed Rs. 1,00,000 preference shares by converting them into equity shares issued at 25% premium. What entries can be made for the redemption by the company?

13. (a) How to calculate the managerial remuneration?

Or

(b) Give a specimen form of companies profit and loss a/c according to the companies act 2013.

14. (a) Goodwill is to be valued at 3 years purchase of 5 year's average profits. The profits for the last 5 year's of the fire were :

2017 – Rs. 2, 400; 2018 – Rs. 3,000

2019 – Rs. 3,400; 2020 – Rs. 3,200

2021 – Rs. 4,000

Calculate the amount of Goodwill.

Or

(b) A Ltd., has 10,000 equity shares of Rs. 10 each (Rs. 8 paid up) and Rs. 1,00,000, 6% preference shares of Rs. 10 each fully paid. The company has a practice of transferring 20% of the profit to general reserve every year. If the expected profit before tax is Rs. 2,00,000 and the rate of tax is 50%.

Calculate the value per equity share.

(Normal rate of dividend is 20%)

15. (a) Explain the objectives of accounting standard.

Or

(b) What is meant by International Accounting standard?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) A company with an authorised capital of Rs. 25 lakhs issued a prospectus inviting applications for 1 lakh shares of Rs. 10 each and terms of payment : On applications Rs. 5 on allotment – Rs. 2.50 on first and final call Rs. 2.50.

The capital offered was oversubscribed by 10,000 shares. The amount due on allotment was received in full. Excess share application money was returned. There was calls in arrears to the tune of 50,000 for first call. Sundry assets were purchased for Rs.1,50,000 by issue of shares to vendors.

Pass journal entries for the above transactions.

Or

(b) Briefly explain the different types of undertaking.

17. (a) A company issued 6% debentures of Rs. 1,00,000 with a condition that they should be redeemed after 3 years at 10% premium. The amount allocated for the redemption of debentures is invested in 5% state Govt. securities.

The sinking fund table shows that Rs. 0.317209 at 5% compound interest in 3 years will become Re. 1.

Prepare ledger accounts for all the three years.

Or

(b) Journalise the following transactions at the time of issue of debentures and redemption of debenture.

(i) Debenture issued at Rs. 95, repayable at Rs. 100

(ii) Debenture issued at Rs. 95, repayable at Rs. 105

(iii) Debenture issued at Rs. 100, repayable at Rs. 105

(iv) Debenture issued at Rs. 105, repayable at Rs. 100

The face value of each debenture Rs. 100.

18. (a) Explain the law relating to the calculation of managerial remuneration.

Or

(b) Give a specimen form of company's Balance sheet according to the companies act 2013.

19. (a) What are the factors determining the valuation of goodwill?

Or

(b) From the following particulars calculate the value of company's share by yield method.

(i) Issued and paid up capital 40,000 shares of Rs. 10 each Rs. 4,00,000

(ii) The net profits for three years were 2017 – Rs. 51,600; 2018 – Rs. 52,000; 2019 – Rs. 51,650 of which 20% was transferred to reserve.

(iii) Fair investment return may be taken at 10%

20. (a) List out any 8 accounting standards.

Or

(b) Discuss the challenges of Indian Accounting standards.
