

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 - NOV'2024

SEMESTER - III

**23UCCCT3004 - Corporate Accounting-I**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

### **Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Define 'Share' and explain its types.
2. Walter Ltd., purchased Land & Buildings costing Rs.20,00,000 and in payment allotted 20,000 equity shares of Rs.100 each as fully paid. Further the company issued 40,000 equity shares to the public. The shares were payable as follows: On application Rs.20; on allotment Rs.40; on call Rs.40. The Public applied for all the shares which were allotted. All moneys were received. Journalise.
3. Sterling Ltd., Have part of their share capital in 2,500 6% Redeemable preference shares of Rs.100 each. The company decided to redeem the preference shares at premium of 10%. The general reserve of the company shows a credit balance of Rs.3,00,000. The directors decide to utilise 60% of the reserve in redeeming the preference shares and the balance is to be met from the proceeds of fresh issue of sufficient number of shares of Rs.10 each. The premium is to be met from the year's profit and loss appropriation account. Give journal entries to record the above transaction.
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:
  - i) Issued at par, redeemable at par,
  - ii) Issued at a discount of 5%, repayable at par.
  - iii) Issued at a premium of 10%, repayable at par.
  - iv) Issued at par, redeemable at premium of 10%
  - v) Issued at a discount of 5%, repayable at a premium of 10%.
5. From the following particulars, predict 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 items:

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	Rs.
Depreciation (including special depreciation of Rs.40,000)	1,00,000
Provision for income tax	2,00,000
Donation to political parties	50,000
Ex-gratia payment to a worker	10,000
Capital profit on sale of assets	15,000

6. The profits of Thilaga Ltd. for the last 5 years were as follows:  
2014 – Rs.15,000; 2015 – Rs.18,000; 2016 – Rs.22,000; 2017 – Rs.25,000; 2018 – Rs.27,000. Evaluate 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 Sun Ltd., as on 31.12.2020.

Liabilities	Rs.	Assets	Rs.
50,000 equity shares of Rs.10 each fully paid	5,00,000	Goodwill	40,000
Profit and Loss A/c	1,10,000	Machinery	2,00,000
Sundry creditors	40,000	Land	1,50,000
Bills payable	10,000	Investment	60,000
		Stock	1,00,000
		Debtors	80,000
		Cash at bank	20,000
		Preliminary expenses	10,000
	6,60,000		6,60,000

From the above information, you are asked to ascertain the value of each equity share of the company in Net Asset Method.

8. Examine the objectives of Indian Accounting Standards.

### Section C

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

9. 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.

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10. G Ltd., issued 2,000 12% Debentures of Rs.100 each on 1.1.2020 at a discount of 10% redeemable at premium of 15% in equal annual drawings in 4 years out of profits. Give journal entries both at the time of issue and redemption of debentures. (ignore the treatment of loss on issue of debentures and interest).
11. A Ltd., was registered with an authorised capital of Rs.6,00,000 in equity shares of Rs.10 each. The following is its Trial Balance on 31<sup>st</sup> March, 2020.

	<b>Debit (Rs.)</b>	<b>Credit (Rs.)</b>
Goodwill	25,000	-
Cash	750	-
Bank	39,900	-
Purchases	1,85,000	-
Preliminary expenses	5,000	-
Share capital	-	4,00,000
12% debentures	-	3,00,000
P&L A/c (Cr)	-	26,250
Calls-in-arrears	7,500	-
Premises	3,00,000	-
Plant & Machinery	3,30,000	-
Interim dividend	39,250	-
Sales	-	4,15,000
Stock (1.4.2019)	75,000	-
Furniture & fixtures	7,200	-
Sundry debtors	87,000	-
Wages	84,865	-
General expenses	6,835	-
Freight and carriage	13,115	-
Salaries	14,500	-
Directors' fees	5,725	-
Bad debts	2,110	-
Debenture interest paid	18,000	-
Bills payable	-	37,000
Sundry creditors	-	40,000
General reserve	-	25,000
Provision for bad debts	-	3,500
	12,46,750	12,46,750

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Prepare statement of profit and loss in proper form after making the following adjustments:

- i. Depreciate plant and machinery by 15%
- ii. Write off preliminary expenses
- iii. Provide for 6 months interest on debentures
- iv. Leave bad and doubtful debts provision at 5% on sundry debtors
- v. Provide for income tax at 50%
- vi. Stock on 31.3.2020 was Rs.95,000

12. The Balance Sheet of a partnership firm is as follows:

Liabilities	Rs.	Assets	Rs.
Capital:		Goodwill	68,000
X 1,20,000		Buildings	1,46,000
Y 1,20,000	2,40,000	Stock	90,000
Sundry creditors	1,20,000	Debtors	58,000
Bills payable	40,000	Cash and bank	38,000
	4,00,000		4,00,000

J J Co. Ltd., is to be formed to take over this firm. For this purpose, assets are revalued as under:

Stock – Rs.94,000; debtors – Rs.40,000; buildings-Rs.1,28,000

Profits of the firm for the past five years before charging anything in respect of the partners were Rs.40,000; Rs.60,000; Rs.72,000; Rs. 64,000; Rs.74,000. Included in these profits were non-recurring items averaging Rs.3,000, but from the nature of the business casual non-recurring items were found to arise ever year and the promoters agreed that Rs.2,400 should be allowed as profit from this source. Similar businesses paid a dividend of 8% per annum on their equity shares and the partners who would be the directors of the company were to be paid remuneration X – Rs.18,000 and Y – Rs.12,000 p.a. Calculate goodwill on five years purchase of super profits.

13. Compare IAS with IFRS.

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