23BSB312N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2026
(Third Semester)

Branch – **BANKING, STOCK & INSURANCE**

CORPORATE ACCOUNTING

Time: Three Hours Maximum: 75 Marks

SECTION-A (10 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** marks (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Star Ltd forfeited 1,000 shares of Rs.10 each (which were issued at par of Jeevan, a shareholder of the company, for nonpayment of allotment money of Rs.4 per share. The called-up value per share was Rs.7. On forfeiture, the amount debited to share capital: (a) 3,000 (b) Rs.7,000 (c)Rs.4,000 (d)Rs.10,000	K1	CO1
	2	In case of issue of shares, the under-writing commission shall not exceed (a) 5% of the issue price (b) 5% of the nominal value (c) 10% of the market price (d) 10% of the nominal value	K2	CO1
2	3	Capital Redemption Reserve Account may be applied to issue .... (a) Right shares (b) Bonus debentures (c) Bonus to employees of the company (d) Bonus shares	K1	CO2
	4	Perpetual debentures are known as....... (a) Unsecured debentures. (b) Irredeemable debentures. (c) Secured debentures. (d) None of the above.	K2	CO2
3	5	Which of these is not a component of the final accounts? (a) Balance sheet (b) Trading Account (c) Profit and Loss Sheet (d) Transaction receipts	K1	CO3
	6	Profit or loss prior to incorporation is of......... (a) Revenue nature (b) Capital nature. (c) Nominal nature. (d) Goodwill nature	K2	CO3
	8	A share's fair market value is equal to.......... (a) Only the intrinsic value of the share. (b) Only the yield value of the share. (c) The average of the intrinsic and yield values. (d) The price it would trade for in an open, competitive market.	K2	CO4
	9	Which accounting standard governs the preparation of consolidated financial statements? (a) IFRS 9 (b) IFRS 10 (c) IFRS 15 (d) IFRS 7	K2	CO5
	10	As per Indian Accounting standard IND AS7, provision for taxation should be treated as........ (a) As a current liability (b) As an appropriation of profits (c) Either a or b (d) None of the above	K2	CO5

SECTION - B (35 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Tuticorin Co. Ltd has resolved to utilise Rs. 5,00,000 out of reserve fund in declaration of Bonus to its shareholders. The bonus, however, is to be applied to the extent of Rs. 2,00,000 in payment of final call of Rs. 40 per share on 5,000 equity shares of Rs. 100 each and to the extent of Rs. 30,000 fully paid bonus equity shares of Rs.100 each to the existing shareholders. Give the journal entries necessary to give effect to the above resolution.	K2	CO1
		(OR)		
	11.b.	Velu Ltd., issued 1,00,000 equity shares. The whole of the issue was underwritten as follows: A-40% ; B-30% and C – 30%. Application for 80,000 shares were received in all, out of the which application for 20,000 shares had the stamp of A, those for 10,000 shares that of B; and 20,000 share that of C. The remaining applications for 30,000 shares did not bear any stamp. Show the net liability of the underwriters.		

Cont...

2 — K3 — CO2

12.a. Zed Ltd. issued 1,000 9% debentures of Rs. 100 each payable, Rs 20 on application and the balance on allotment. Applications were received for 1,500 debentures out of which application for 900 were allotted fully. Applicants for 400 debentures were allotted 100 debentures and the remaining were rejected. All sums due were received. Give journal entries and also show how these transactions will be reflected in the Balance sheet of the company.

(OR)

12.b. The summarised balance sheet of Gaur Ltd. on 31st Dec. 2018 was as follows:

Liabilities	Rs.	Assets	Rs.
Share Capital:2,000 9% Redeemable Preference shares of Rs. 100 each fully paid	2,00,000	Sundry assets	9,80,000
		Cash at Bank	4,20,000
80,000 equity shares of Rs. 10 each, fully paid	8,00,000		
Profit & Loss A/c	2,60,000		
Creditors	1,40,000		
	14,00,000		14,00,000

On the above date, the preference shares were redeemed at a premium of 10%. You are required to pass journal entries and give the amended balance sheet.

3 — K3 — CO3

13.a. Kalpana Ltd. was incorporated on 01-04-2012 to take over the business of Natu Brothers from 01-01-2012. From the following information, calculate sales ratio and gross profit; (i) Sales during the period January – December 2012 amounted to Rs.72,000. The trend of the sales was a under: January and February – half of the average sales in each month. October – average sales November and December – half the average sales in each month (ii) Cost of goods Sold Rs. 18,000

(OR)

13.b. The following balances have been extracted from the books of Rama Ltd. as on 31st March 2013.

Share Capital	Rs. 10,00,000
12% Debentures	Rs. 5,00,000
Proposed dividend	Rs. 50,000
Machinery	Rs. 9,00,000
Work in progress	Rs. 4,00,000
Surplus i.e Balance in Statement of Profit and Loss (Dr.)	Rs. 50,000
Securities Premium	Rs. 1,00,000
Trade Payable (creditors)	Rs. 2,00,000
Government bonds	Rs. 4,00,000
Cash and Cash equivalents	Rs. 1,00,000

Prepare the Balance sheet of the company as per Revised Schedule VI, part I of the Companies Act 1956.

4 — K4 — CO4

14.a. The following is the balance sheet of Sun Ltd., as on 31-12-2018.

Liabilities	Rs.	Assets	Rs.
50,000 Equity Shares of Rs.10 each fully paid	5,00,000	Goodwill	40,000
		Machinery	2,00,000
Profit and Loss A/c	1,10,000	Land	1,50,000
Sundry Creditors	40,000	Investment	60,000
Bills Payable	10,000	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.

(OR)

14.b. The following is the balance sheet of NSC Ltd. as on 31 st Dec. 2018

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.

5	15.a.	What are the borrowing cost under AS 16?	K2	CO5
		(OR)		
	15.b.	List and explain the accounting activities covered under IFRS.		

SECTION -C (30 Marks)

Answer **ANY THREE** questions

ALL questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Rakesh Ltd. issued to public 5,000 equity shares of Rs. 100 each at a premium of Rs. 10 per share payable as follows: On application Rs. 20 On allotment Rs. 40 On first & final call Rs. 50 Applications were received for 4,000 shares an all were accepted. All moneys due were fully received except the first & final call on 300 shares. Pass journal entries and prepare the balance sheet.	K3	CO1
2	17	A Company issued 6% Debentures of Rs. 10,00,000 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 Government Securities. The Sinking Fund Table shows that Rs 0.317209 at 5% compound interest in 3 years will become Re. 1. Pass journal entries and Prepare ledger accounts for all the three years.	K4	CO2
3	18	XYZ Ltd. was formed on 01.04.2014 to take over the business of a firm as from 01.01.2014. All profits made from this earlier date were to the benefit of the company but interest on the purchase price of Rs.50,000 was to be paid at 6% p.a to the vendors upto the date of settlement in full on 01.06.2014. The following was the statement of profit and loss for the year ended 31st December 2014. <table><tr><td>Particulars</td><td>Rs.</td><td>Particulars</td><td>Rs.</td></tr><tr><td>The Management Expenses The Bad debts To Director's fees To Interest to vendors ThePreliminary expenses To Depreciation To Net Profit</td><td>3,050 200 1,000 1,250 1,250 1,000 12,250</td><td>By Gross trading profit</td><td>20,000</td></tr><tr><td></td><td>20,000</td><td></td><td>20,000</td></tr></table>Out of the bad debts written off, Rs. 100 related to the period prior to incorporation. Apportion the profit earned between pre incorporation and post incorporation periods by preparing profit and loss account. You may assume that turnover was spread evenly over the entire year.	K3	CO3
4	19	The following information is given: (a) Capital employed – Rs. 3,00,000 (b) Net Profit for five years 2011 – Rs. 28,800; 2012-Rs. 30,800; 2013- Rs. 33,800;2014 – Rs. 34,800 and 2015 – Rs. 35,800 The profits included non-recurring profits on an average basis of Rs. 2,000 out of which it was deemed that even non-recurring profits had a tendency of appearing at the rate of Rs. 1,400 p.a (c) Normal rate of profit 10% You are required to calculate the value of goodwill as per capitalization of super profit method.	K4	CO4
5	20	How should "inventories" be measured as per AS-2, Valuation of inventories?	K3	CO5

Z-Z-Z END