BCO-315

Sl.No. :

Total No. of Pages : 4

Third Year B.Com. Degree Examination, May/June - 2025

(SLM Scheme)

CORPORATE ACCOUNTING

Time : 3 Hours **Max. Marks : 80**

PART - A

Answer any four questions. Each question carries 5 marks. **[4×5=20]**

Q1) What are the provisions of Company's Act relating to maintenance of accounts?

Q2) Describe the need for valuation of goodwill.

Q3) What are the guidelines of SEBI for issue of bonus shares?

Q4) What are the factors affecting the valuation of Shares?

Q5) Write a note on forfeiture and reissue of shares.

Q6) What are the different methods of underwriting.

PART - B

Answer any three questions. Each question carries 10 marks. **[3×10=30]**

Q7) Explain the conditions under which redeemable preference shares can be redeemed.

Q8) What is underwriting of Shares? Briefly explain the types of underwriting.

Q9) The following are the ledger balances of General insurance Co. as on 31/03/2024.

Particulars	Fire ₹	Marine ₹
Insurance fund on 01/04/2023	6,60,000	10,80,000
Commission paid	16,000	20,000
Reserve for unexpired risk on 01/04/2023	8,00,000	12,00,000
Management expenses	60,000	70,000
Claims Paid	3,00,000	4,60,000
Premium received	5,20,000	6,60,000

Adjustments:

a) Management expenses outstanding: Fire- ₹16,000, Marine - ₹12,000.

b) Premium due as on 31/03/2024: Fire- ₹64,000, Marine- ₹52,000.

c) O/S Claims as on 31/03/2024: Fire - ₹50,000, Marine - ₹80,000.

d) Reserve for unexpired risk is to be maintained at 50% and 100% on fire and marine business on premium received.

Prepare Revenue Account as on 31/03/2024.

Q10) The following is the balance sheet of A Ltd. as on 31/03/2024.

Liabilities	₹	Assets	₹
₹14,000 equity shares of ₹100 each	14,00,000	Sundry Assets	18,00,000
General Reserve	10,000	Discount on Issue of	
10% Debentures	2,00,000	Debentures	10,000
Sundry Creditors	2,00,000	Preliminary expenses	30,000
Bank Overdraft	50,000	Profit & Loss A/c	60,000
Bills Payable	40,000		
	19,00,000		19,00,000

B Ltd. agreed to take over the business of A Ltd. The market value of 75% of sundry assets is estimated to be 12% more than the book value and that of the remaining 25% at 8% less than the book value. The liabilities taken over at book value. There is an Unrecorded liability of ₹25,000.

Calculate purchase consideration and prepare Realisation A/c in the books of A Ltd.

Q11) The following details are obtained from the books of Abhi Ltd. as on 31/03/2024:

Share Capital:

20,000 shares of ₹10 each fully paid up ₹2,00,000

20,000 shares of ₹10 each, Rs.7.50 per share paid up ₹1,50,000

20,000 shares of ₹10 each, Rs. 5 per share paid up ₹1,00,000

General reserve ₹50,000

Profit & Loss A/c (Cr, balance) ₹50,000

Long Term Liabilities ₹2,50,000

Fixed Assets ₹3,60,000

Current Assets (Including Investments ₹40,000) ₹4,40,000

The normal average profit (less tax) of the company is estimated at ₹70,000 and the estimated rate for capitalisation purpose is 10%. The investments are independently valued at ₹60,000.

Calculate the value of shares under:

a) Net Assets Method.

b) Yield Method.

PART - C

Answer any two questions. Each question carries 15 marks. **[2×15=30]**

Q12) Chiranth Co. Ltd. Issued prospectus to the public offering 20,000 shares of ₹100 each at a premium of ₹10 each payable as follows:

On application ₹30 per share

On allotment ₹40 per share (including premium)

On first call ₹20 per share

On final call ₹20 per share

Applications were received for 25,000 shares and allotment was made on pro-rata basis.

Money over paid on application was adjusted towards allotment.

Mr.X to whom 1,000 shares were allotted failed to pay both the calls and Mr. Y to whom 500 shares were allotted failed to pay the final call. Hence, all these shares were forfeited and reissued to Mr. Z at ₹80 per share fully paid up.

Pass the necessary Journal entries in the books of the company and prepare the Balance Sheet.

Q13) On 31/03/2024 the date of liquidation of a company. Its balance sheet was as under.

	Particulars	₹
A.	Sources of Funds:	
	Capital and Liabilities:	
	Share Capital:	
	7% Preference Shares	1,50,000
	3,000 Equity Shares of ₹10 each ₹8 paid up	24,000
	1,500 Equity shares of ₹10 each ₹7 paid up	10,500
	Mortgage loan on Buildings	2,00,000
	6% Debentures	4,00,000
	O/S Interest on Debentures	36,000
	Creditors	4,000
	Bills Payable	1,000
	Total	8,25,500
B.	Application of Funds:	
	Assets & Properties:	
	Buildings	2,00,000
	Machinery	80,000
	Stock	2,00,000
	Debtors	3,20,000
	Cash	25,500
	Total	8,25,500

Assets realised as follows:
Buildings ₹1,85,000, Machinery ₹1,00,000, Debtors ₹3,00,000, Stock ₹2,30,500.
The liquidation expenses was ₹2,000.
Remuneration of Liquidator was –1% on realisation of assets excluding cash and 1% on amount paid to unsecured creditors. Creditors shown in the balance sheet included ₹1,000 preferential creditors.
Dividend on preference shares in arrears for 2 years.
Prepare Liquidator's Final statement of affairs.

Q14) Explain the differences between amalgamation in the nature of merger and amalgamation in the nature of purchase.

Q15) What is Goodwill? Explain the different methods of valuation of goodwill.

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