

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2024 ONLY)

24UCF305

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS :NOVEMBER-2025

B.Com –FINANCE

MAXIMUM MARKS: 75

SEMESTER: III

TIME : 3 HOURS

PART - III
CORPORATE ACCOUNTING I

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

K1

1. A share which enjoys priority in dividend payment is called:_____.
a) Equity share b) Preference share c) Debenture d) Bonus share
2. Capital Redemption Reserve is created at the time of:_____.
a) Redemption of debentures b) Redemption of preference shares
c) Issue of shares at discount d) Forfeiture of shares
3. As per Schedule VI, the financial statement of companies includes:_____.
a) Trading account b) Cash account
c) Statement of Profit and Loss and Balance Sheet d) Capital account
4. Valuation of goodwill under super profit method is calculated as:_____.
a) Normal Profit × No. of years b) Super Profit × No. of years' purchase
c) Average Profit × Capital employed d) Capital employed ÷ Normal rate of return
5. The final statement prepared by the liquidator is called:_____.
a) Deficiency account b) Statement of Affairs
c) Liquidator's Final Statement of Account d) Profit & Loss account

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

6. Define a share.
7. State any two types of preference shares.
8. What is Managerial Remuneration?
9. State the need for valuation of shares.
10. What is Statement of Affairs?

(CONTD....2)

SECTION – B**(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**

11. a) What are the various types of shares?

(OR)

b) A. R. Venkatachalapathy Ltd. issued 40,000 shares of Rs.10 each payable in full on application. The company received application for 40,000 shares. Applications were accepted in full. Show journal entries in the books of A. R. Venkatachalapathy Ltd.

12. a) Rajasekaran Ltd. has issued 10,000, 12% debenture of Rs.100 each at a discount of 5% payable as follows:

(i) On application Rs. 30

(ii) On allotment Rs. 45

(iii) On first call Rs. 20

Show the journal entries including those for cash, assuming that all installments were received duly.

(OR)

b) Describe the difference between shares and debentures.

13. a) Find out the profit prior to incorporation.

Time ratio: 2 : 4

Sales ratio: 2 : 6

Gross profit Rs. 3,40,000

Administrative expenses Rs. 1,39,200

Selling expenses Rs. 37,200

Preliminary expenses Rs. 23,120

(OR)

b) From the following particulars of Rajendran Ltd. Prepare profit and loss account for the year ended 31st March 2025

Cost of goods sold Rs. 20,000

Revenue from operations Rs. 70,000

Finance cost Rs. 3,000

Depreciation Rs. 1,500

Other income Rs. 5,000

Employee benefit expenses Rs. 4,000

Other expenses Rs. 2,000

14. a) Explain the factors affecting value of shares.

(OR)

b) Computation of goodwill under super profit method. Profit for last three years are as follows:

Rs. 14,00,000 2021 – 2022

Rs. 15,00,000 2022 – 2023

Rs. 16,00,000 2023 – 2024

Capital employed at Rs. 60,00,000 and normal rate of return expected in the industry @ 15%. Goodwill on the basis of three years purchase of the super profit.

(CONTD....3)

15.a) Explain the kinds of winding up.

(OR)

b) From the following information, prepare liquidator's final statement of account.

Cash at Bank 1,00,000
 Surplus from securities 10,10,000
 Expenses of Liquidation 30,000
 Liquidator's Remuneration 7,000
 Preferential Creditors 2,00,000
 Unsecured Creditors 7,00,000
 Preference Shareholders 1,00,000
 Equity shareholders 1,00,000

SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

16. a) C. S. Lakshmi Ltd invited applications for 10,000 shares of Rs.100 each at discount of 6% payable as follows.

On application – Rs.25

On allotment – Rs.34

On first and final call – Rs.35

The applications were received for 9000 shares and all of these were accepted. All moneys were received except first and final call on 100 shares which were forfeited. 50 shares were reissued @ 90 as fully paid.
 Pass entries in the books of the company.

(OR)

b) A company made an issue of 10,000 shares of Rs. 10 each payable Rs. 3 on application, Rs. 3 on allotment, Rs. 2 on first call and Rs. 2 on second and final call.

All these shares were subscribed. Directors made both the calls. All money's were received except from one shareholder who holds 100 shares failed to pay the first and second calls. The Directors forfeited these shares and re-issued them at Rs. 8 per share as fully paid up. Journalise.

17. a) A company issued Rs. 2,00,000 redeemable preference shares on 1.4.2004. The shares are redeemable on or after 31.12.2012 in whole or part.

The following redemption was made out of profits:

- On 31st March, 2012 Rs. 50,000
- On 31st March, 2013 Rs. 50,000

In December, 2013, the company issued equity shares of the face value of Rs. 60,000 at a premium of 5%. On 31.12.2013 the company redeemed the balance preference shares.

Pass necessary journal entries to record the above transaction.

(OR)

b) Imaiyam Company Ltd issued 3000 12 % debentures of Rs. 100 each on 1.1.2025 at a discount of 10% redeemable at a premium of 10% in equal annual drawings in 4 years out of profits. Give journal entries both at the time of issue and redemption of debentures.

(CONTD....4)

18. a) From the following particulars of Cho.Dharman Company Ltd.Prepare Profit and Loss account for the year ended 31st March 2024.

Cost of goods sold Rs. 20,000
 Revenue from operations Rs. 70,000
 Finance cost Rs. 3,000
 Depreciation and amortization expenses Rs. 1,500
 Other income Rs. 5,000
 Employee benefit expenses Rs. 4,000
 Other expenses Rs. 2,000

(OR)

b) The following is the trial balance of S.RamakrishnanIndustries Ltd. as on 31st March, 2025. Prepare a Trading and Profit and Loss Account for the year ended 31st March, 2025 and a Balance Sheet as on that date in the form prescribed under the Companies Act, 1956.

Particulars	Rs	Particulars	Rs
Investment	35,000	Share Capital	4, 00,000
Calls in Arrear	1,000	Sales	3, 00,000
Land & Building	45,000	Sundry Creditors	17,000
Machinery	3,00,000	General Reserve	25,000
Furniture	15,000	Profit on Consignment	13,000
Custom Duty	3,800	Loan from Bank	45,000
Wages	31, 400	Dividend	3,000
Salaries	45,200		
Insurance	2,800		
Purchases	1, 60,000		
Bills Receivable	21,200		
General Expenses	6,900		
Sundry Debtors	60,000		
Opening Inventory	65,000		
Cash at Bank	8,800		
Cash in hand	900		
Directors Fees	1,000		
	8, 03,000		8, 03,000

The following information is to be taken into consideration:

- Closing Inventory Rs. 86,000
- Depreciate Machinery at 10%
- Outstanding Salary Rs. 4,000
- Transfer Rs. 5,000 to General Reserve
- The authorized capital of the company is Rs. 6,00,000 divided into Equity Shares of Rs. 10 each.

(CONTD....5)

19. a) The balance sheet of Inkulab Ltd as on 31st March, 2025 is as follows:

Liabilities	Rs.	Assets	Rs.
Share capital: Shares of Rs.100 each	8,00,000	Goodwill	50,000
Profit and loss account	4,50,000	Freehold property	3,75,000
5% Debentures	3,00,000	Plant and machinery	3,50,000
Sundry creditors	2,39,250	Stock	3,70,000
		Debtors (Net)	2,99,250
		5% Government bonds	1,00,000
		Bank balance	2,45,000
Total	17,89,250	Total	17,89,250

Profit after tax for 3 years ending 31st March, 2023, 2024 and 2025 are after charging debenture interest were Rs.2,20,500, Rs.3,22,500 and Rs.2,40,000 respectively.

You are requested to value the goodwill based on capitalization of adjusted average profits, from the following information:

1. The normal rate of return is 10% on net assets.
2. Rate of tax applicable is 50%.
3. 10% of profit of 2024 given above is of a non-recurring nature, excluding income from Government bonds.
4. A provision of Rs.15,750 on sundry debtors made in 2025, is no longer required, profit for 2025 is to be adjusted for this item.
5. Freehold property is valued at Rs.10,75,000.

Ascertain the value of goodwill of the company.

(OR)

b) On 31st March, 2025 the balance sheet of Vannadasan limited company disclosed the following position:

Balance Sheet as on 31st March, 2025

Liabilities	Rs.	Assets	Rs.
Share capital: 40,000 Equity shares of Rs.10 each fully paid	4,00,000	Fixed assets	5,00,000
Reserves	30,000	Current assets	2,00,000
Profit and loss account	80,000	Goodwill	40,000
5% Debentures	1,00,000		
Current liabilities	1,30,000		
Total	7,40,000	Total	7,40,000

On 31st March, 2025, the fixed assets were independently valued at Rs.3,50,000 and the goodwill at Rs.50,000. Compute the value of the company's shares by the assets method.

(CONTD.....6)

20. a) The following particulars relate to Madhavanlimited company which went into voluntary liquidation.

Preferential creditors Rs. 25,000

Unsecured creditors Rs. 58,000

6% debentures Rs. 30,000

The assets realised Rs. 80,000 the expenses of liquidation amounted to Rs. 1,500 and the liquidator's remuneration agreed at 2 ½ % on the amount realized and 2% on the amount paid to unsecured creditors including preferential creditors.

Show the liquidator's final statement of account.

(OR)

b) Poomani Ltd., was liquidated on 31.3.2025.

Balance sheet as on 31.3.2025

Liabilities	Rs.	Assets	Rs.
Share capital	1,00,000	Land and buildings	60,000
8% Debentures	1,00,000	Plant and machinery	60,000
Mortgage loan (Secured on land & buildings)	50,000	Stock	60,000
Sundry creditors	80,000	Debtors	70,000
		Cash in hand	5,000
		Profit and loss account	75,000
Total	3,30,000	Total	3,30,000

Assets realised as follows:

(a) Land and buildings Rs. 55,000

(b) Stock Rs. 20,000

(c) Plant and machinery Rs. 25,000

(d) Half of debtors were bad and the balance realised 60% of book value.

(e) Liquidator was entitled to a commission of 3% on amount realised other than cash and 2% on the amount paid to unsecured creditors.

(f) Preferential creditors amounted to Rs. 10,000 (included in sundry creditors).

(g) Liquidation expenses amounted to Rs. 970.

Prepare liquidator's final statement.
