

THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025

(FYUGP)

CC24UCOM3CJ202 - CORPORATE ACCOUNTING

(B.Com. - Major Course)

(2024 Admission - Regular)

Time: 2.0 Hours

Maximum: 70 Marks

Credit: 4

Part A (Short answer questions)Answer **all** questions. Each question carries 3 marks.

1. Explain any three characteristics of a debenture? [Level:2] [CO1]
2. What do you mean by issue of shares at a discount and at a premium? [Level:2] [CO1]
3. X Ltd. issued for public subscription 25,000 equity shares of Rs. 25 each on 1st July 2024. Zahir holding 200 shares failed to pay the first call money of Rs. 10 each. Pass journal entries related to the first call. [Level:3] [CO1]
4. Explain any three provisions on redemption of preference shares. [Level:2] [CO2]
5. P Ltd. with a paid up capital of Rs. 5,00,000 divided into shares of Rs.10 each fully paid had decided to capitalise Rs. 80,000 out of the accumulated reserves of Rs. 1,25,000 by issuing bonus shares of Rs. 10 each fully paid. Give journal entries. [Level:3] [CO2]
6. What is Non- Controlling Interest? Suppose A Ltd. is holding 7500 shares in its subsidiary X Ltd. The share capital of X Ltd. consist of 10,000 shares. What is the proportion of shares of X attributable to NCI? [Level:2] [CO3]
7. What is calls in arrear? [Level:2] [CO4]
8. The Life assurance fund of mother life insurance Co. Ltd. as on 31st March 2024 is ascertained at Rs. 12,20,000 before considering the following: [Level:3] [CO4]

	Rs.
Interest accrued on investments	30,000
Bonus utilised in reduction of premium	36,000
Claims intimated and admitted but not paid	1,00,000
Outstanding premium	60,000
Claims covered under reinsurance	16,000

Compute the true life assurance fund.

9. Given below is interest on advances of a commercial bank

[Level:3] [CO4]

(Rs in lakhs)				
	Performing Assets		NPA	
	Interest Earned	Interest Received	Interest Earned	Interest Received
Term Loans	200	150	140	100

Calculate the amount of interest to be recognised as income.

10. What is re- insurance ceded and re- insurance accepted?

[Level:2] [CO4]

(Ceiling: 24 Marks)

Part B (Paragraph questions/Problem)

Answer *all* questions. Each question carries 6 marks.

11. Explain the different types of preference shares. [Level:2] [CO1]
12. Bring out the differences between bonus shares and right shares. [Level:2] [CO2]
13. United Limited was registered with a nominal capital of Rs. 500,000 in shares of ₹ 100 each. 3,000 shares were issued for subscription and payable as to Rs. 12.50 on application, Rs. 12.50 on the allotment, and a call of Rs. 25 three months after allotment, with the balance to be called up as and when required. All money up to allotment was duly received, but regarding the call of Rs. 25, a shareholder holding 100 shares did not pay the amount due. Show the journal entries needed to record the above transactions. [Level:3] [CO1]
14. X Limited issued 10,000 12% debentures of Rs.100 each at par payable Rs. 40 on application, Rs. 35 on allotment, Rs. 10 on First Call and the balance on Final Call. All money were duly received by the company. Journalise the transactions. [Level:3] [CO1]
15. ABC Ltd acquired 90% of shares of XYZ Ltd on 30th September 2024 at Rs. 42,00,000. [Level:3] [CO3]
From the following details of XYZ Ltd , compute:
- (a) Pre acquisition Profit (b) Post Acquisition profit
- (c) Non Controlling Interest (d) Goodwill/ gain on bargain purchase
- i. The share capital of XYZ Ltd consists of 3,00,000 shares of Rs. 10 each
- ii. The General Reserve and Profit of XYZ Ltd. as 1-4-2024 were Rs. 8,00,000 and Rs. 4,00,000 respectively.
- iii. The General Reserve and Profit of XYZ Ltd as on 31-3-2025 were Rs. 12,00,000 and Rs. 5,00,000 respectively.
- Assume the date of consolidation is 31st March 2025.
16. What are consolidated financial statements? What are the circumstances in which a parent company is exempted from preparing consolidated financial statements? [Level:2] [CO3]

17. a. A company offers to its shareholders the right to buy two share at Rs. 11 per share for every 5 shares held. The market value of the share is Rs. 60. Calculate the Value of right. [Level:3] [CO2]
 b. What do you call the above issue?
 c. What do you mean by value of right?
18. From the following information, find out the amount of provision to be shown in the profit and loss account of a commercial Bank: [Level:3] [CO4]

Rs. In lakhs	
Assets	
Standard	8,000
Sub-standard	6,000
Doubtful : for one year (unsecured 10%)	1,000
For two year (unsecured 20%)	1,600
For more than three years (no surety)	400
Loss assets	1,200

(Ceiling: 36 Marks)

Part C (Essay questions)Answer any **one** question. The question carries 10 marks.

19. Sun Ltd has the following Balance Sheet as on 31/03/2024: [Level:3] [CO2]

Particulars	Amount
A Assets:	
Non current assets	16,00,000
Current assets	4,00,000
Total assets	20,00,000
B Equity and liabilities	
Equity	
(a) Share capital (60,000 equity shares of Rs. 20 each fully paid up	12,00,000
6% Redeemable preference share capital (5000 shares of Rs. 50 each, Rs. 40 paid up)	2,00,000
(b) Other equity (retained earnings)	
Capital reserve	20,000
Security premium a/c	30,000
Dividend equalisation fund	50,000
General reserve	60,000
Surplus a/c	2,40,000
Current liabilities	2,00,000
Total liabilities	20,00,000

Turn Over

On 1/04/24 the Board of Directors decided to redeem the preference shares at 10% premium by utilisation of revenue profits and balance from Surplus a/c. Pass journal entries and Balance Sheet.

20. H Ltd. acquired all the shares of S Ltd. the balance sheet of H Ltd., and its subsidiary S Ltd. [Level:3] [CO3]
as on 31-03-2025 are as follows:

Particulars	H Ltd. (Rs.)	S Ltd. (Rs.)
Assets		
Sundry Assets	65,000	70,000
Investment in S Ltd at cost	50,000	
Total	1,15,000	70,000
Equity and Liabilities		
Equity Share Capital (fully paid eq. shares of Rs.10 each)	50,000	30,000
Reserves and Surplus:		
General Reserve 01-07-2025	20,000	15,000
Surplus	25,000	10,000
Current Liabilities:		
Trade Payables	20,000	15,000
Total	1,15,000	70,000

The statement of Profit and Loss of S Ltd., had a credit balance (surplus) of Rs.3,000 on 1st April 2024. The profit of S Ltd., accrued evenly throughout the year. Prepare a consolidated Balance Sheet.

(1 × 10 = 10 Marks)
