

**BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, NOVEMBER 2024**  
**2023 ADMISSIONS REGULAR**  
**SEMESTER III - CORE COURSE (COMMERCE)**  
**CO3C07B23 - Corporate Accounts I**

Time : 3 Hours

Maximum Marks : 80

## Part A

I. Answer any Ten questions. Each question carries 2 marks

(10x2=20)

1. Enumerate capitalization of profit.
2. RJ Ltd. is registered with an authorized capital of Rs. 10,00,000 divided into 1,00,000 Equity shares of Rs 10 each payable as follows:  
 On application-Rs 2  
 On allotment- Rs 3  
 On first call- Rs 3  
 On final call-Rs 2  
 All the shares were subscribed and all the money were duly received. Pass the necessary journal entries
3. JJ Ltd redeems its 5000 Redeemable preference shares of Rs 100 each at par. For this purpose, it issued 3,000 Equity shares of Rs 100 each at 20% premium and for the balance it utilizes the surplus of statement of profit and loss.  
 Pass the Journal entries
4. Describe partial underwriting.
5. Explain partial underwriting.
6. Explain Profit or loss prior to incorporation.
7. Describe current liability.
8. Enumerate contingent liabilities.
9. Describe Non Current Investments.
10. Explain long term investments.
11. Write about standard turnover.
12. Explain loss of stock policy.

## Part B

II. Answer any Six questions. Each question carries 5 marks

(6x5=30)

13. Briefly elucidate the conditions of buy back as per CA 2013
14. Following is the balance sheet of Shawallace Trading Company as on 31-12-2017

Particulars	Note No.	₹
<b>I. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders Fund</b>		
a) Share Capital		
1,000 Redeemable preference shares of ₹ 100 each		1,00,000
2,000 Equity shares of ₹ 100 each		2,00,000

b) Reserves & surplus		
General Reserve		80,000
Statement of profit and loss		50,000
2. Non- Current Liabilities		
3. Current Liabilities		
Trade Payables		75000
Total		5,05,000
II. ASSETS		
1. Non Current Assets		
Fixed: Tangible Assets		3,65,000
2. Current Assets		
Cash and Cash Equivalents		1,40,000
Total		5,05,000

On this date preference shares were redeemed at par. Give the necessary journal entries .

15. Explain any five types of underwriting.

16. HP Ltd issued 20,000 shares of Rs.10 each at par, which were underwritten as follows:

X -10,000 shares

Y- 6,000 shares

Z - 4,000 shares

Applications were received for 18,000 shares which included marked applications as follows:

X- 4,000 shares

Y - 2,000 shares

Z- 10,000 shares

You are required to prepare a statement showing the liability of the underwriters.

17. Explain the presentation of the following items while preparing the Balance Sheet of a Company as per Schedule III to the Companies Act, 2023 a) Provision for Income Tax b) Preliminary expense written off c) Unexpired Insurance

18. From the following data, Prepare relevant Notes to Accounts:

Particulars	Rs in 000's
Salaries	250
Wages	150
Contribution to PF	200
Contribution to gratuity	72
Staff Welfare expenses	150
Expenses on ESPP	28
Outstanding Wages	50
Interest Expenses	25
Brokerage	5

Interest on debentures	6
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19. On 1.4.2023, Masters Ltd purchased 12% Govt bonds of Rs.100 each for Rs.2,00,000 at Rs.96 cum-interest. Interest is payable on 30th June and 31st December every year. Account closes on 31.12.2023. Show 12% govt bonds account in the books of Masters Ltd. Also give journal entries.
20. On 1.4.2023, Sagar Ltd purchased 12% Govt bonds of Rs.100 each for Rs.4,00,000 at Rs.96 cum-interest. Interest is payable on 30th June and 31st December every year. Account closes on 31.12.2023. Show 12% govt bonds account in the books of Sagar Ltd. Also give journal entries.
21. The godown of P Ltd.caught fire on 15 th September 2023 ,records saved form fire showed the following particulars.

Stock at cost on 1st April,2023	70,000
Stock at cost on 31st March,2024	94,000
Purchases less return for the year 2023-24	5,10,000
Wages for the year 2023-24	20,000
Sales less returns for the year 2023-24	8,20,000
Purchases less returns from April to September 15,2023	1,80,000
Sales less return form April 1 to September 15,2023	2,46,000
Wages form April 1 to September 15,2023	16,000

Gross profit remained at a uniform rate.The stocks salvaged was worth Rs.8,000 and they were retained by P LtdThe godown was insured. Calculate the amount of claim.

### Part C

III. Answer any Two questions. Each question carries 15 marks

(2x15=30)

22. Explain in detail the legal requirements for the redemption of preference shares as laid down in section 55 of the Companies Act 2013. And also give the journal entries for redemption of preference shares.
- 23.

On 31-3-2023, the following ledger balances were extarcted from the books of Banglore Manufacturing Co. Ltd-

Particulars	Amount
Equity share capital- called up	11,50,000
Printing & Stationery	56,000
Plant and Machinery	9,00,000
Stock (1-4-2022)	1,87,500
Fixtures	18,000
Sundry Debtors	2,17,500
Buildings	7,50,000
Purchases	4,62,500
Interim dividend	18,750
Rent	12,000
General expenses	12,250
Debenture interest	22,500
Bills payable	95,000
General Reserve	62,500
Surplus a/c (1-4-2022)	36,250
Preliminary expenses	12,500

Freight and duty	33,000
Goodwill	62,500
Wages	2,12,000
Cash in hand	5,875
Cash at bank	95,750
Director's fees	14,350
Bad debts	5,275
Commission paid	18,000
Salaries	36,250
6% Debentures	7,50,000
Sales	10,37,500
Government securities	1,50,000
Reserve for doubtful debts	8,750
Sundry creditors	1,25,000

The stock on 31-3-2023 was estimated at Rs. 2,52,000.

The following adjustments were to be made-

1. Final dividend at 5% to be provided.
2. Depreciate plant and machinery at 10% and fixtures at 5% p.a.
3. Transfer Rs. 25,000 to general reserve.
4. A provision for income tax of Rs. 62,500 was to be made.
5. Provision for bad debts to be maintained at 5% on sundry debtors.

Prepare the Statement of Profit and Loss account for the year ended 31-3-2023 and the Balance Sheet as on the date.

24. On 1.5.2023 Mr. Prasad purchased 2,000 10% Debentures of Rs.100 each at Rs.95 cum interest per debenture and paid brokerage of 0.5 % on face value and stamp duty of Rs.125. On 30.09.2023, he sold 1,000 debentures at Rs.98 per debenture cum interest. Rs.150 were paid as expenses on them. Interest on debentures were paid on 30th June and 31st December each year.

Prepare 10% debentures account and interest account.

25. C Ltd has a loss of profit policy of Rs. 21,00,000. The period of indemnity is 3 months. A fire occurred on 31.03.2023. The following information is available.

Sales:	
For the year ending 31.12.2022	70,00,000
For the period from 01.04.2022 to 31.03.2023	80,00,000
For the period from 01.04.2022 to 30.06.2022	18,00,000
For the period from 01.04.2023 to 30.06.2023	1,20,000
Standing charges for 2022	16,00,000
Net Profit for 2022	5,00,000
Savings in standing charges because of fire	50,000
Additional expenses to reduce loss of turnover	1,00,000

Assuming no adjustment has to be made for the upward trend in turnover, compute the claim to be made on the insurance company.