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II Sem. 5 Year B.Com. LL.B. Examination, June/July 2025 (Even Sem.)
CORPORATE ACCOUNTING

Max. Marks : 80

Duration : 3 Hours

**Instructions :** 1. **Answer all five Units.**
2. **One Essay type question and short note/problem is compulsory from each Unit.**
3. **Figure to the right indicate marks.**
4. **Answers should be written in English only.**
5. **Use simple calculator only.**

UNIT – I

Q. No. 1. a) Fasttrack company has an authorized capital of Rs. 25,00,000 divided into 50000 equity shares of Rs. 50 each. The entire issue was underwritten as follows : Marks : 10

A – 30000 shares (Firm underwriting 5000 shares)

B – 15000 shares (Firm underwriting 2000 shares)

C – 5000 shares (Firm underwriting 1000 shares)

Out of the total issue, 45000 shares including firm underwriting were subscribed. The following were marked applications :

A – 16000 shares

B – 10000 shares

C – 4000 shares

Calculate the liability of each underwriter.

OR

Q. No. 1. a) Equity Ltd. offered to the public to issue 1800000 shares at par. These offer was underwritten by 3 underwriters, Geetha, Ram, Rohit equally with firm underwriting 60000 shares each. Subscriptions totalled 1580000 shares including the marked forms were : Marks : 10

Geetha – 500000 shares

Ram – 540000 shares

Rohit – 440000 shares.

The underwriters had applied for the number of shares covered by firm underwriting. The underwriters have agreed for 2.5% commission.

Calculate the liability of underwriters.

P.T.O.

Q. No. 1. b) Write a short note on types of underwriting. Marks : 6

OR

Q. No. 1. b) What do you mean by underwriting ? Explain the advantages of underwriting. Marks : 6

UNIT – II

Q. No. 2. a) Swarna Ltd. issued 20000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows : Marks : 10

on application – Rs. 2

on allotment – Rs. 5 (including premium)

on Final call – Rs. 5

All the shares were subscribed for and company received all the money due except final call on 100 shares. Pass journal entries.

OR

Q. No. 2. a) Explain the types of preference shares. Marks : 10

Q. No. 2. b) Explain the difference between preference share and equity share. Marks : 6

OR

Q. No. 2. b) Explain types of share capital. Marks : 6

UNIT – III

Q. No. 3. a) Write a note on ratios involved in profit prior to incorporation with examples. Marks : 10

OR

Q. No. 3. a) Sharan Enterprises Ltd. purchased from Mr. Sharan his business on 1-4-2018. But Rohit Enterprises Ltd. was incorporated on 1-7-2018. Find out the following details of the profits earned by the company prior and post incorporation. Marks : 10

a) From April 2018 to March 2019 total sales = 240000 trend of sales.

April and May = half of average sales for each month.

August, September, October and January = average sales for each month.

February and March = Half the sales for each month.

b) Cost of goods sold Rs. 60,000.

c) Salary and other expenses Rs. 6,000.

d) Bad debts Rs. 2,400.

e) Interest for purchase consideration which was paid to Sharan's old business on 1-11-2018 Rs. 2,100.

f) Expenses related to company Rs. 8,900.

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Q. No. 3. b) Write a note on profit prior to incorporation. Marks : 6

OR

Q. No. 3. b) Classify the following on the basis of apportionment. Marks : 6

a) Purchase consideration.
b) Discount allowed.
c) Rent.
d) Depreciation.
e) Salaries.
f) Sales.

UNIT – IV

Q. No. 4. a) Bring out the methods of valuation of shares. Marks : 10

OR

Q. No. 4. a) The net profits of the company after providing for taxation for the past 5 years are Rs. 78,000, Rs. 82,000, Rs, 88,000, Rs. 93,000 and Rs. 98,000. The capital employed in the business is Rs. 8,00,000 on NRR is 10% is expected. Marks : 10

Calculate the value of goodwill on the basis of

a) 5 years purchases of super profit method.
b) Capitalization method.
c) Annuity method value of one rupee for 5 years at 10% interest as Rs. 3.78.

Q. No. 4. b) Write a note on capital employed. Marks : 6

OR

Q. No. 4. b) Write a note on factors affecting the value of goodwill. Marks : 6

UNIT – V

Q. No. 5. a) Write the vertical format of Balance sheet as per Schedule III with imaginary figures. Marks : 10

OR

Q. No. 5. a) Explain the following item treatment in final accounts. Marks : 10

a) Calls in arrears.
b) Unclaimed dividend.
c) Reserves and surplus.
d) Provision for taxation.
e) Bad debts.

Q. No. 5. b) Write a format of Profit and Loss A/c (vertical format as per Schedule III) Marks : 6

OR

Q. No. 5. b) Write a note on shareholders fund. Marks : 6