

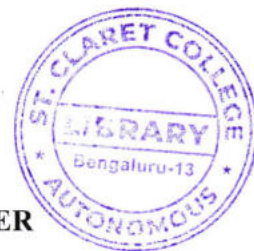
Roll No: _____

Date: ___/___/___

St. Claret College

Autonomous, Bengaluru

UG END SEMESTER EXAMINATION-NOV 2025
B.COM TOURISM AND TRAVEL MANAGEMENT III SEMESTER
BCT 3125 CORPORATE ACCOUNTING



12

TIME: 3 hours.

MAX. MARKS: 80

This paper contains FIVE printed pages and FOUR parts

Instructions:

1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.
3. Students must check the course title and course code before answering the questions.

PART-A

Answer ALL questions. Each answer carries ONE mark.

[10 x 1 = 10]

1. What is the term for the price at which a share is issued, which is lower than its face value?
A) Premium
B) Discount
C) Par value
D) Market value
2. What is the term for the process of issuing new shares to existing shareholders in proportion to their current holdings?
A) Rights issue
B) Public issue
C) Private placement
D) Bonus issue
3. Which of the following is a factor that can contribute to the creation of goodwill?
A) Company's brand reputation
B) Company's location
C) Company's skilled workforce
D) All of the above
4. Which of the following is a factor that affects the valuation of shares?
A) Company's past performance
B) Industry trends
C) Economic conditions
D) All of the above
5. What is the process of repayment of debentures at the end of their tenure known as?
A) Redemption
B) Conversion
C) Issue
D) Repurchase
6. Which of the following is a characteristic of redeemable debentures?
A) They are irredeemable
B) They can be converted into shares
C) They have a fixed maturity period
D) They do not carry interest
7. What is the benefit of underwriting shares for the issuing company?
A) Reduced costs
B) Increased risk
C) Guaranteed capital raising
D) Reduced control

8. What is the role of an underwriter in the event of undersubscription?
 A) To purchase the unsold shares
 B) To sell the shares to the public
 C) To register the shares with regulatory authorities
 D) To determine the issue price
9. Which of the following items is classified as a non-current asset in the Balance Sheet as per Schedule III?
 A) Cash and cash equivalents
 B) Inventories
 C) Property, plant, and equipment
 D) Trade receivables
10. What is the purpose of Schedule III of the Companies Act, 2013?
 A) To regulate the formation of companies
 B) To govern the preparation of financial statements
 C) To oversee the audit of companies
 D) To manage the winding up of companies

PART-B

Answer any THREE questions. Each answer carries EIGHT marks.

[3x 8=24]

11. Rajesh Ltd. invited applications for 10,000 shares of ₹100 each. The Share amount was payable as under:
 ₹20/- on Application
 ₹30/- on Allotment
 ₹20/- on First Call &
 ₹30/- on Final Call

Applications were received for 10,000 shares. All applications were accepted by the directors. All moneys were called and duly received. Pass necessary Journal Entries.

12. Following is the Balance Sheet of ABC Ltd as on 31.3.2025

Liabilities	Amount	Assets	Amount
Share Capital	1,00,000	Fixed Assets	4,00,000
1,000,8% Preference shares of Rs 100 each			
30,000 Equity Shares of Rs 10 each	3,00,000	Current Assets	2,50,000
Debenture Redemption Fund	50,000	Preliminary Expenses	20,000
6% Debentures	1,00,000	Discount on issue of debenture	5000
Depreciation Fund	1,00,000	P&L A/C	45,000
Sundry Creditors	70,000		
	7,20,000		7,20,000

Calculate the value of the equity share under net asset method after considering the following information.

- a) Debenture interest is due for one year
- b) Current assets include book debts of which Rs. 12,000 which were doubtful for which no provision has been made.

13. Give the necessary journal entries at the time of redemption of debentures in each of the following cases.
- (a) Dayanand Ltd., issued 10,000, 9% debentures of ₹1000 each at par redeemable after 5 years out of capital.
 - (b) Dayanand Ltd., issued 10,000, 12% debentures of ₹1000 each at par. These debentures are redeemed at a premium of 10% at the end of 4 years.
 - (c) Dayanand Ltd., issued 12% debentures of the total face value of ₹10,00,000 at premium of 5% and redeemable at par at the end of 4 years.

(d) Dayanand Ltd., issued ₹10,00,000, 12% debentures at a discount of 5% but redeemable at a premium of 5% at the end of 5 years.

14. Vijay Ltd issued 60000 shares of Rs10 each at a discount of 5% of which 75% was underwritten by Mr. Gupta. The company received applications for 80% of the issue of them 65% applications bear the rubber stamp of Mr. Gupta. The underwriting commission is 5% of the issue price. Determine the liability and also the underwriting commission.

15. Prepare a Balance Sheet in Vertical form of Oscar Ltd as on 31-3-2025.

Particulars	Debit (Rs)	Credit (Rs)
Share Capital: 1,00,000 Equity share of Rs10		10,00,000
8,000 Preference share of Rs100		8,00,000
Security premium		8,00,000
General Reserve		32,00,000
Secured Loans		18,00,000
Unsecured Loans		3,10,000
Fixed Assets	50,00,000	
Goodwill	2,60,000	
Investment	2,50,000	
Closing stock	14,00,000	
Sundry debtors	14,20,000	
Cash and Bank	3,40,000	
Creditors		5,30,000
Bills payable		12,50,000
Provision for taxation		3,00,000
Miscellaneous expenditure	60,000	2,00,000
P&LA/c(Loss)	4,00,000	
	96,60,000	96,60,000

PART-

Answer any THREE questions. Each answer carries TWELVE marks.

[3 x 12=48]

16. A Company issued 5,00,000 new capital divided into 10/- shares at a premium of ₹ 4/- per share payable as

- On Application ₹ 1/- per share

- On Allotment ₹ 4/- per share & ₹ 2/- premium

- On Final Payment ₹ 5/- per share & ₹ 2/- premium.

Overpayments on application were to be applied towards sum due on allotment. All The issue was oversubscribed Where no allotment was made money was to be returned in full. The issue was oversubscribed to the extent of 13,000 shares. Applicants for 12,000 shares were allotted only 1000 shares and applicants for 2000 were sent letters of regret. All money due on allotment and final call was duly received. Make the necessary entries in the company's book and also prepare Bank A/c.

17. Following is the Balance sheet of Akash Ltd... As on 31-3-2023

Liabilities	Amount	Assets	Amount
Equity share capital (Rs 10 each)	16,00,000	Goodwill	2,00,000
Reserves and Surplus	3,00,000	Other fixed Assets	24,00,000
10% Debentures	4,00,000	Current assets	4,00,000
Creditors	4,00,000		
Provision for tax	3,00,000		
	30,00,000		30,00,000

On the above date an independent valuation of goodwill and other fixed assets was made at Rs 3,00,000 respectively. Current assets include debtors of Rs 2, 00,000 out of which 15% is bad. The net profits of the company for the past 3 years were Rs 2, 40,000, Rs 2, 80,000 and Rs 3,05,000 of which 20% was placed to reserve. The normal rate of return is 10%. Calculate the value of share by assets method and yield Method.

18. Raghu company issued 8,000 debentures of ₹100 each at par on 1st January 2016 redeemable at par on 31st December 2020. A sinking fund was established for the purpose. It was expected that investments would earn 5% net. Sinking Fund table show that ₹0.180975 amounts to ₹1 at the end of 5 years at 5%. On 31st December 2020, the investments realized ₹6,24,000. On that date the company's bank balance stood at ₹2,32,960. The debentures were duly redeemed. Give the necessary journal entries that the investments were made to the nearest ₹10.

19. Ram Ltd issued 100000 equity shares of Rs10 each at a premium of Rs5 per share. The entire issue was underwritten by the underwriters A, B, C&D to the extent of 30%,30%,20% and 20% respectively with the provision of firm underwriting of 3000,2000,1000&1000 shares respectively.

The underwriters were entitled to a commission at 2.5% on issue price of shares. The company received application for 70000 shares from public, out of which applications for 19000 ,10000.21000 & 8000 shares were marked in favour of A,B,C&D respectively. Calculate the Total liability of the underwriters-If

- Firm application as treated as marked forms
- Firm application as treated as unmarked forms
- Also calculate underwriting commission payable

20. From the following trial balance prepare Final Accounts of Asha Company for the accounting period 31st March 2020.

SL. NO	PARTICULARS	DEBIT	CREDIT
1	Sales		13,08,000
2	General Reserve		24,000
3	Opening Inventories	1,16,800	
4	Trade Payable		51,780
5	Purchase of Goods	4,64,160	
6	Depreciation on Tangible Assets	31,000	
7	Trade Receivables	1,70,000	
8	Salary Expenses	1,96,940	
9	Provision for Bad and Doubtful debts		10,000
10	Cash & Cash Equivalents	71,000	

11	Tangible Assets	3,10,000	
12	Freight	97,760	
13	Amortization on Intangible assets	37,000	
14	Sundry Expenses	85,720	
15	Share Capital (Equity shares of 100 each)		5,00,000
16	Profit & Loss A/C		14,000
17	Preliminary Expenses	40,000	
18	Power & Fuel	1,08,400	
19	Bad Debts	7,000	
20	Intangible Assets	1,72,000	
	TOTAL	19,07,780	19,07,780

Adjustments:

- i) Create provision for taxation at 30%.
- ii) Write-off of Preliminary Expenses.
- iii) Write-off Rs. 5,000 as bad debts and maintain PBDD @ 10% on Debtors.
- iv) Closing inventories Rs. 57,600.

PART-D

Answer the following question. Answer carries TEN marks.

[1 x 10 =10]

21. Tech Ltd., issued 2,50,000 shares of ₹10 each which was underwritten as follows:

- Mr.A = 75,000 shares (Firm underwriting 8000 shares)
 Mr.B = 62500 shares (Firm underwriting 12000 shares)
 Mr.C = 62500 shares (Firm underwriting NIL)
 Mr.D = 50,000 shares (Firm underwriting 30000 shares)

The total applications excluding firm underwriting but including marked application were for 1,80,000 shares.

The marked application were as under.

Mr. A - 40,000 shares; Mr. B - 36,000 shares; Mr. C - 24,000 shares and Mr. D - 48,000 shares.

Calculate the Total liability of each underwriter treating:

- a) Firm underwriting as unmarked applications.
- b) Calculate the net liability of each underwriter treating:
